PAPER MONEY

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GENE HESSLER, *Editor,* **P.O. Box 8147, St. Louis, MO 63156**

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ON THE COVER. The Canadian current $2 note, with this portrait of Queen Elizabeth II, will be discontinued. Both $1 and $2 denominations will be represented by coins.

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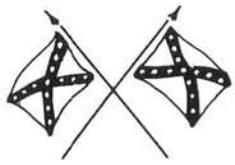

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THE MERCANTILE NATIONAL BANK OF ST. LOUIS

by DAVE GRANT

SHORTLY after beginning to collect St. Louis national bank notes in 1989, I spent a great deal of time pouring over bank and city directories in compiling a list of St. Louis-area national bank officers. Although no comprehensive listing of officers seemed to exist, and really not much had been written from a currency perspective about individual banks, it seemed worthwhile to develop a structure to be able to identify the signatures that should be encountered on national bank notes. While doing this, I noticed that most of the larger St. Louis banks routinely advertised in the city directories, but Mercantile National Bank never had more than a single line entry, nor did it seem to place advertisements anywhere else. By this time I had met Bob Cochran, who suggested that the bank was worth a closer examination: although bank notes were available, not much else seemed to be known about the bank, including its location, and reason for being and for liquidation.

Festus Wade, 1859 to 1927. Founder and president of the Mercantile Trust Company and Mercantile National Bank.

Festus Wade

The story of the bank is woven into the story of Festus John Wade and the Mercantile Trust Company. Wade was born in Limerick, Ireland on October 14, 1859 and was brought by his parents to St. Louis the next year.

The immigrant family's finances were tight, and, in the words of the *Book of St. Louisians*, young Festus had an education that was "limited and self-acquired," the formal portion of which ended at age ten. Wade subsequently held a very wide variety of jobs including a business venture to produce cider when he was 15. He sold this business a year later and became clerk and paymaster for a contractor building a portion of the Wabash Railroad. During this period, he continued his education by attending the Bryant-Stratton Business College at night. In 1877, Wade moved on to the St. Louis Fair Association, and was so successful that he became secretary and manager in 1883. Three years later, he resigned from the Fair Association to become secretary of the August Gast Bank-Note and Lithographic Company. According to the *Makers of St. Louis*, Wade gave the real estate business considerable study in his spare time. In 1888 he formed the L.E. Anderson Realty Company in conjunction with Loronzo Anderson, and subsequently focussed his full attention on real estate.

There were relatively few real estate companies, since attorneys handled most real estate transactions at this time. With its energetic management, innovative methods, and heavy use of advertisement—a real novelty at the time—the company set about "the rebuilding of the business and office building districts in the city for the better and more economical housing of enterprises." The company, later known as the Anderson-Wade Realty Company, became very prosperous and was the moving force behind many significant real estate projects during the 1890s. In addition to developing an expertise in commercial real estate projects, the company was among the first developers of large residential subdivisions. A trust company was believed to provide further opportunities for growth and the Mercantile Trust Company (MTC) was founded and opened on November 16, 1899. Initially, the Anderson-Wade operation formed the nucleus of the trust company's real estate division, which continued to play a major role in St. Louis real estate development. At the same time, MTC had but one other department—banking—which employed a single clerk.

The savings department was founded at the beginning of 1900, and despite the name of the company, the trust department was not established until December 1901. In 1902, the MTC moved across the street to the site still home to its successor and further boosted business by the acquisition of the St. Louis Safe Deposit Company. The American Central Trust Company was acquired in 1904. In late September 1907 an aggressive Wade beat local competitors in acquiring the assets and assuming the deposits of the significant, but faltering, Missouri-Lincoln Trust Company.

But Wade and his bank was not without critics. An examiner noted that "Mr. Wade has the reputation amongst conservative men on the outside of being a 'plunger' and they

take the position that a time will come when the *'thin ice'* which he has been skating on will give away and cause trouble." But, he noted that "nothing succeeds like success and so far Mr. Wade has been a success."

The Establishment of the Bank

Two incidents certainly prompted Wade in deciding to organize a bank of issue. The first of these occurred on October 27, 1903, when all of the trust companies in St. Louis suffered a one-day run. The *St. Louis Globe Democrat* referred to the incident as a "silly panic" apparently precipitated by rumors of "business complexities" spread by stock speculators in Chicago and New York. Small depositors were especially disturbed, but it was claimed that the deposits of businessmen almost entirely offset the withdrawals of that day. And, with a dash of bravado, the Lincoln Trust Company indicated that it would open for business two hours earlier than usual the next day.

Nevertheless, the magnitude and suddenness of the run caused serious concern, among both banks and trust companies. The "associated banks" of St. Louis made a public statement stressing the strength and safety of the trust companies, and offered their help. Further, eight of St. Louis' trust companies published advertisements in the city's newspapers the next morning indicating that, although there was plenty of cash on hand, they would immediately begin to enforce the 30 or 60 day notice of withdrawal requirements for savings accounts and would only redeem certificates at maturity. A report in the *Globe Democrat* on October 30 noted that over $7 million of currency had been sent to St. Louis by institutions in Chicago and New York. The tension had been relieved by such prompt and dramatic actions, and the run was not repeated on the second day and did not spread outside of St. Louis.

Mercantile Trust Company had, uniquely, met the crisis with a statement from its directors pledging their personal fortunes to insure its depositors' money—the result of aggressive and very personal lobbying of the directorate by Wade. Over 50 years before a number of substantial St. Louis businessmen had curtailed a panic by similarly pledging their personal fortunes to the depositors of the banks and, as in 1903, these guarantees were not called upon.

Of course, the second incident was the Panic of 1907. This national shortage of cash eliminated the opportunity of help from other cities. "John Smith" checks were used as a temporary expedient to bridge the crisis, which disrupted normal business for several weeks. This second panic led directly to the passage of the Aldrich-Vreeland Act in 1908 and a little later to the establishment of the Federal Reserve System. Wade strongly supported the concept of a central bank and made sure that the Mercantile Trust Company was a charter member of the eighth district after the Act's passage.

But that was in the future, and the notion that national banks could produce their own liquidity probably appealed to Wade in light of recent events. The bank's first organization meeting occurred in MTC's offices on December 22, 1908. All of the organization documents were prepared and signed, to be personally delivered to the Office of the Comptroller in Washington by George Wilson, an MTC vice president. The bank's authorized capital was $1,500,000 and the subscription of its 15,000 shares was also made at this time: each of the seven directors, including Festus Wade, purchased ten shares, with Mercantile Trust Company purchasing the remaining 14,930. Festus Wade was naturally elected president and George Buder, MTC treasurer, was elected cashier. Buder, a native St. Louisian born in 1863, had been connected with the Mechanics Bank for several years and helped to organize the American Central Trust Company, of which he was treasurer and secretary. He stayed with Mercantile after the American Central merger as assistant treasurer and had been promoted to treasurer in 1907.

Two days later, on December 24, the bank's required $50,000 of bonds was deposited and Thomas Kane telegraphed that charter number 9297 had been granted to the bank. The bank named the Chase National Bank and Phoenix National Bank of New York and the first National Bank of Chicago as its "upstream" correspondents on January 11, 1909.

The bank opened on January 14, 1909 and was open for business on weekdays between 9 A.M. and 3 P.M. and on Saturday until noon. The notice of the bank's formation appearing in the February 1909 *Banker's Magazine* indicated that:

> Quite a little excitement was stirred up in financial circles in St. Louis recently when it was announced that officers of Mercantile Trust Company would organize the Mercantile National Bank, which would be open for business in the trust company's building about January 15.

Several reasons were given for the organization of the bank and the advantages Wade perceived versus relying solely on a trust company charter:

> Unlike trust companies, a national bank could act as a depositary of the funds of the national government, and state, city and county governments as well as for the reserve and funds of other national banks. Since St. Louis was a central reserve city, this promised to be an important new business opportunity.
>
> Relatedly, national banks were permitted to receive commercial deposits and discount commercial paper.
>
> Of course, national banks could issue "circulating currency which passes for money, and in case of great public financial stringency may, for the relief of trade and commerce, issue emergency currency under safeguards of equal protection." This point is a direct reference to the Aldrich-Vreeland Act and certainly refers to the 1903 and 1907 incidents.
>
> Two other points suggest friction between the freewheeling Festus Wade and his regulators and critics. It was noted that "being organized under the national banking law, their powers and privileges are well defined and understood throughout the financial world." Further, "National banks are not subject to the continual attacks in the state legislatures. Their welfare as well as the welfare and protection of the people are protected by Congress..." This may be a reference to the criticism that many institutions received during and after the panic of 1907. This criticism had struck a nerve, and as late as 1918, Wade wrote that "the Mercantile National Bank was organized to give Mercantile Trust Company an ally with the powers of a national bank."

The bank's first currency order was filed with its organization papers and one of Wade's objectives was achieved in mid-February 1909 when the first currency shipment was received. Curiously, the bank's currency agent, A.S. Prate, was not named until May 3.

Another objective, becoming a government depository, was achieved on March 1, 1909. The advantages of St. Louis' position as a central reserve city had not been overestimated. By 1912, fully 80% of the bank's deposits consisted of county bank deposits.

The opportunities offered by a national bank charter were used to full advantage. In terms of loans, the bank was always a "creature" of its parent. Virtually all loans and deposits were

supplied by the MTC. In fact, a significant item of business at the January 18, 1909 board meeting of the new bank was to approve the purchase of $495,000 of bonds and $1,064,000 of loans from the parent. The activities of the two companies were carefully coordinated to take advantage of MTC's capacity to generate assets and the deposit collecting and circulation issuing capabilities of the bank. The two institutions were managed as part of a single entity, as indicated by a notice addressed jointly to: "All those employed at the Mercantile Trust Company and the Mercantile National Bank." At first, the bank's officers received no salary since they held positions in the trust company as well. By September 1909, the bank's assets totalled $7.2 million, and were to reach a high of $10.4 million in 1917.

Location of the Bank

One question about the bank was where was it located? The February 1909 *Banker's Magazine* article noted that the bank was originally housed in a single room within the Mercantile Trust Company building at 721 Locust Street, at the corner of Eighth. The bank paid no rent for its space. Both the bank and trust company enjoyed substantial growth, and a subsequent notice in the April 1910 *Banker's Magazine* indicated that: "the Mercantile National Bank will move into larger quarters soon, taking possession of the lower floor of the Mercantile Building, immediately east of the trust company" at 717 Locust. This is the six story building shown behind the trust company building and was to be the bank's home until the space was needed for expansion of the trust company at the end of WWI. At the time of the move, the building was not owned by MTC and the upper floors of the building were occupied by the offices of separate companies. The September 1910 examination report indicates that the buildings were connected by a public hallway and an elevator, and, in order to economize on expensive facilities, the bank continued to use the MTC's vaults.

Bank Note Issues

As part of its organization papers, the bank placed its first currency order, requesting 1,250 $5-5-5-5 sheets and 1,000 $10-10-10-20 sheets, a total value of $75,000. The bank's first shipment of currency occurred on February 6, 1909 and consisted of 668 $10-10-10-20 sheets. An additional 830 $5-5-5-5 sheets followed just four days later. Since only $50,000 of bonds was on deposit, the full currency order could not be filled until the deposit of more bonds in May 1910.

A $5 note from this first shipment is illustrated and bears a remarkably different signature than commonly encountered for Edward Buder, the bank's cashier. The subsequent issues of currency to the bank is summarized in Table I.

As indicated by the bar chart, the bank's outstanding circulation varied widely during its existence. From a mere $50,000 at the end of April 1909, it increased dramatically to $750,000 just five months later. The bank clearly "played" its bond portfolio, and this is reflected in the large gaps when currency was not issued to the bank because of the periodic deposits of lawful money and withdrawal of government bonds. For example, the bank's ability to receive circulation was reduced in September 1910, when $550,000 of lawful money was deposited to release a like amount of bonds. No currency was subsequently shipped to the bank until May 1912, when $1,000,000 of bonds was deposited. Several other examples of this practice are indicated in the Bond and Currency records for the bank.

Mercantile's neighborhood on a pre-WWI postcard. The building to the right (McNair, etc) is the Columbia building and was the first home of MTC. The colonnaded building to the left has been the company's home since 1902. The tall building immediately behind MTC was the Koken (later Mercantile) building, and was the home of the Mercantile National Bank from early 1910 to 1918.

With the outbreak of WWI and the contraction of currency, many of the larger St. Louis national banks, including Mercantile National, issued "emergency currency." Under the terms of the Aldrich-Vreeland Act, banks that were members of cur-

Table 1
CURRENCY ISSUES OF MERCANTILE NATIONAL BANK
(Beginning & Ending Sheets are indicated for each period)

	$5-5-5-5		$10-10-10-10		$50-$100		$50-50-50-100		Total Face
Dates Covered	Start	End	Start	End	Start	End	Start	End	Value
Feb 6, 1909			1	668					33,400
Feb 10, 1909	1	830							16,600
May-Aug 1909	831	13330	669	14668					950,000
Jan-Aug 1910			14669	14,680	1	160			24,600
May-Dec 1912	13331	20025	14681	24760	161	3000	1	191	1,111,650
Jan-May 1913	20026	21350	24761	25543			192	773	211,150
June 1913-May 1914	21351	35830	25554	35404			774	928	821,400
June-Oct 1914	35831	48180	35405	37603			929	958	364,450
			37669	42668			1001	1520	380,000
Mar 30, 1915	48181	49180	42669	43268					50,000
Sept-Dec 1915	49181	50230	37604	37668 *			1521	1886	115,750
			43269	43668					20,000
Jan-May 1916	50231	61830	43669	52444			959	1000 *	61,380
							1887	3800	478,500
July 1916-July 1917			no issues						
Aug 1917	61831	74020	52445	62668			3801	4160	845,000
Cancelled 3/29/18	74021	75830	62669	63668			4161	4800	

*sheets were skipped during the summer 1914 shipments.

The two forms of Bruder signature. The top note is from the first shipment of $5 notes shipped to the bank and carries a very large, unusual signature for the cashier. The bottom note is the commonly encountered form of the signature. Both examples are printed and not handsigned.

rency associations could receive circulation against the deposit of state, city or other municipal securities or commercial paper, in excess of their authorized capitalization. On August 10, 1914 the Bond and Currency records for Mercantile National indicate that $600,000 of "miscellaneous securities" was deposited with the Treasurer's account for the bank. On the same day $600,000 was issued to the bank in the form of 11,000 $5-5-5-5 sheets, 5,000 $10-10-10-20 sheets and 520 $50-50-50-100 sheets. Consequently, by September 12, 1914, the bank's outstanding circulation of $1,629,000 exceeded its authorized capital of $1,500,000. The tax on this "emergency currency" provided a strong encouragement for its reduction as soon as the emergency passed. On December 1, 1914, $500,000 of "Lawful Money" was deposited releasing a like amount of miscellaneous securities. The balance of the securities was released four days later when an additional $100,000 of Lawful Money was deposited. Circulation remained in the $900,000 to $1,000,000 range until the close of the bank.

During its existence, the bank issued: 74,020 $5-5-5-5 sheets; 62,668 $10-10-10-20 sheets; 3,000 $50-100 sheets; and 4,160 $50-50-50-100 sheets with a total face value of $6,103,800. Table II indicates the signatures known for each denomination of currency issued by the bank. The Wade/Buder combination is naturally the most commonly encountered variety, given the length of time it was used. As the activities of the bank slowed and the inevitability of its closure became more clear, Buder returned full time to the trust company, and was replaced as cashier by John Waggoner. The Wade/Waggoner signatures are substantially more scarce.

During the last shipments of currency to the bank, at the end of August 1917, a relative handful of Plain Back notes was issued to the bank. Only $5, $10, and $20 Plain Backs

MNB's two cashiers: Buder (1909–1917) and Waggoner (1917–1918). Festus Wade's large, bold "vanity" signature is often mistaken for an autograph by those unfamiliar with the series, but I have only encountered printed signatures.

were printed and issued to the bank. These all carry the Wade/Waggoner signature combination and should be considered very scarce to rare.

The End of the Bank

Festus Wade was a strong supporter of the Federal Reserve Act and participated actively in the Currency Commission. Not surprisingly, the Mercantile Trust Company became the first state chartered bank to become a Federal Reserve member at passage of the Act. Shortly thereafter, the reserve laws were also changed, so that, as a member of the Federal Reserve System, MTC could also accept the reserves of both state and national banks. The only remaining advantage of Mercantile National was its circulation privilege.

As the war wore on, the inevitable inflation made operation of two institutions increasingly uneconomical. At the end of 1916 Wade sent a memo to his staff encouraging them to watch costs; as an example, he noted that the cost of supplies had "gone up double or more" in the recent past. Further, in 1917 Mercantile paid its employees the equivalent of 14 months wages to deal with increasing costs. At the same time, the demand for loans was depressed. In a December 31, 1917 letter to David R. Francis, the United States ambassador to Russia, Wade noted that St. Louis real estate was "very dead" and was not expected to be revived until the end of the war. As War Savings Director for Missouri, an increasing amount of his time was devoted to the U.S. war effort in encouraging the purchase of Liberty Loans and war savings stamps. He had

One of the scarce Mercantile Plain Backs. This note (from sheet 73179) was received from the Bureau of Engraving and Printing on August 22, 1917 and shipped to the bank on the same day.

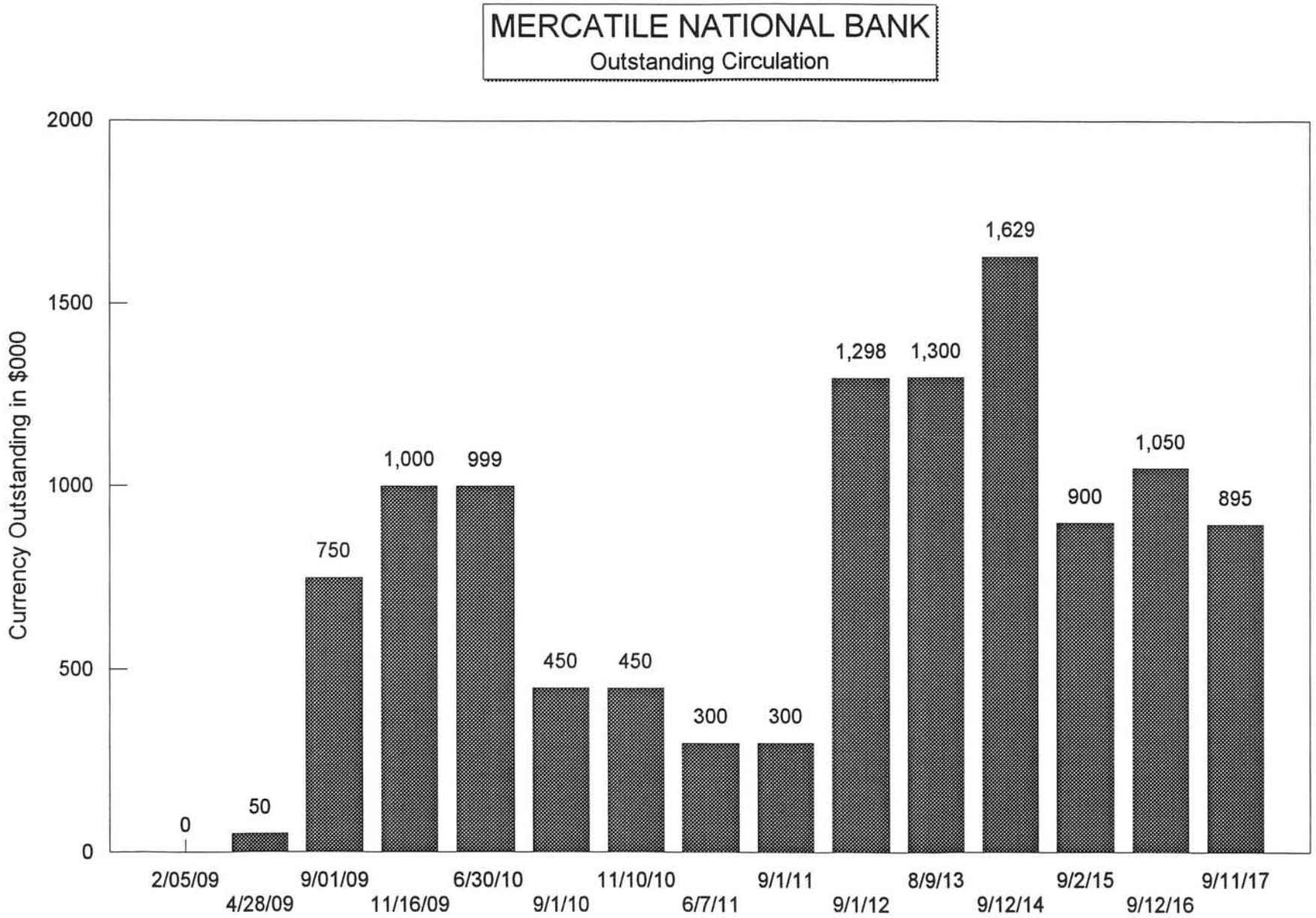

MERCATILE NATIONAL BANK
Outstanding Circulation
Currency Outstanding in $000
2000
1500
1000
500
0
0
50
750
1,000
999
450
450
300
300
1,298
1,300
1,629
900
1,050
895
2/05/09
4/28/09
9/01/09
11/16/09
6/30/10
9/1/10
11/10/10
6/7/11
9/1/11
9/1/12
8/9/13
9/12/14
9/2/15
9/12/16
9/11/17

TABLE II
MERCANTILE NATIONAL BANK
Note Issues & Signatures

	Total Notes Issued	Festus Wade Edward Buder	Festus Wade John Waggoner
Dates of Officer Term		**Dec 1908 thru Feb 1917**	**Dec 1908 thru Feb 1917**
1902 Date Backs			
$5	283,320	X	X
$10	179,004	X	X
$20	59,668	X	X
$50	15,480	X	X
$100	7,160	X	X
Total Notes	544,632		
Total Value	$5,890,000		
1902 Plain Backs (only issued from August 20–24, 1917)			
$5	12,760	—	X
$10	9,000	—	X
$20	3,000	—	X
Total Notes	24,760		
Total Value	$213,800		
Total Notes Issued	569,392		
Total Value of Issue	$6,103,800		

much value in being able to generate circulation to make loans. Further, the new Liberty Bonds bore a higher rate of interest than the 2% and 3% bonds securing the bank's circulation which were increasingly becoming a drag on earnings.

As the activities of the bank slowed and the inevitability of its closure became more clear, a number of officers, including Buder, returned full time to the trust company and were replaced by others whose focus was winding up the affairs of the bank. The consolidation of the bank's assets and liabilities into the trust company occurred on February 5, 1918, and the bank entered voluntary liquidation on February 18. Writing to the comptroller in April, an officer noted that they were very satisfied with the move and that practically all of the deposits had been retained.

Table I indicates that by August 1917 over a year had passed since the bank had received any currency. During this time the bank had just its minimum U.S. bond requirement of $50,000 on deposit. The balance of the outstanding currency was secured with deposits of lawful money, which prevented any additional shipments of currency to the bank. On August 6th the first of several new bond deposits was made, totalling $845,000. During the month, a similar amount of currency was issued to the bank. Interestingly, these shipments were made in two groups. The first of these occurred on August 6th and 7th. These shipments exhausted the supply of date back $5-5-5-5 and $10-10-10-20 sheets on hand, and used most of the $50-50-50-100 sheets as well. These shipments were

A current view of the bank.

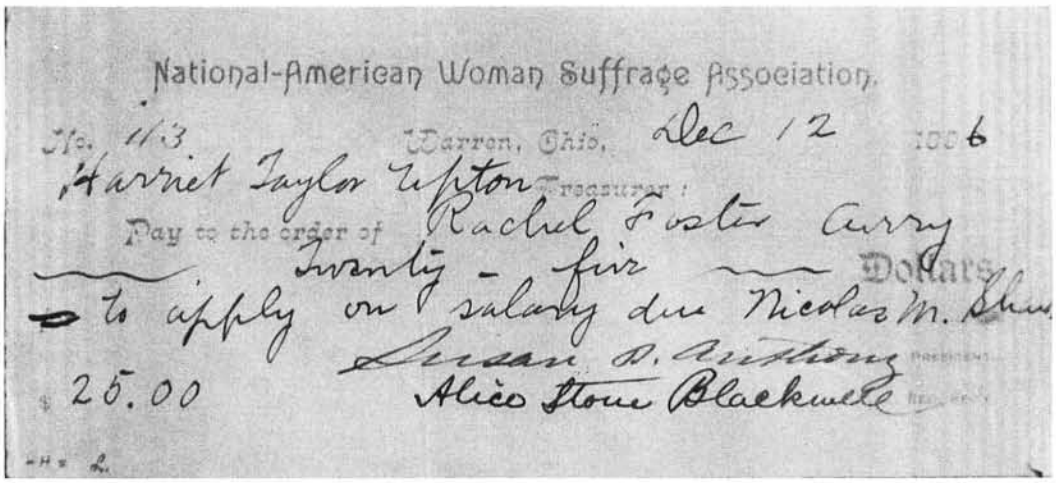
a personal interest in assisting with the war effort as well. His son, Festus Jr., was in the 12th field Artillery and expected to be sent any day to France.

With no demand to finance St. Louis real estate projects, a major business of Mercantile since its inception, there wasn't $213,800 short of the amount of bonds deposited, however, and new notes were ordered from the Bureau of Engraving and Printing and began to arrive on August 20, 1917 when shipments to the bank resumed. These new notes were all Plain

Continued on page 250

A 75th Anniversary for Women

by GENE HESSLER


National-American Woman Suffrage Association.

No. 113 Warren, Ohio, Dec 12 1896

Harriet Taylor Upton Treasurer:

Pay to the order of Rachel Foster Avery

twenty-five Dollars

to apply on salary due Nicolas M. Shaw

Susan B. Anthony President

$ 25.00 Alice Stone Blackwell Rec. Sec'y

This check, signed 100 years ago, is part of The Chase Manhattan Bank Money Museum Collection now in the National Numismatic Collections at the Smithsonian Institution.

AUGUST 26, 1920 marked the 75th anniversary of the adoption of the 19th amendment to the Constitution, which gave women the right to vote. Tennessee was the last state to ratify the amendment which included the following: "The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any state on account of sex."

The first women's rights convention was held in Seneca Falls, NY in 1848. The two dominant voices were Lucretia Mott (1793–1880) and Elizabeth Cady Stanton (1815–1902). Wyoming was the first locale in the country to give women the right to vote in 1869. In 1776, when John Adams was a delegate to the Constitutional Convention, his wife Abigail wrote to remind him to "Remember the ladies...or we will not hold ourselves bound by any laws in which we have no voice."

The illustrated check, dated Dec. 12, 1896, bears the names of prominent members of the National-American Woman Suffrage Association: Harriet Taylor Upton, Treasurer; Susan B. Anthony, President; and Alice Stone Blackwell, Recording Secretary. Mrs. Blackwell also edited the *Woman's Journal*, a suffrage publication. The check is made payable to the order of Rachel Foster Avery and was to be applied toward the salary of Nicolas M. Shaw.

Susan B. Anthony, who was born in Adams, MA on 15 February 1820, was the founder of the Daughters of Temperance, and the coorganizer of the Womens Loyal League. The latter organization supported Lincoln's government. With Mrs. Stanton, Susan B. Anthony organized the National Woman Suffrage Association in 1869. In 1890 the latter merged with the American Woman Suffrage Association, also founded in 1869, to become the National-American Women Suffrage Association (NAWSA).

Harriet Taylor Upton (1853–1945) was initially opposed to the suffrage movement. However, after researching material for an article, she became one of the pillars of the NAWSA and served as treasurer from 1894–1910. During this time Mrs. Upton was editor of *Progress,*a suffrage monthly. Later she became the first woman vice-chairman of the Republican National Executive Committee.

Rachael Foster (1858–1919) who married and became **Rachael Foster Avery,** was an active suffragragette when she joined the Citizens' Suffrage Association. Ms Foster attended the National Woman Suffrage Association in 1879. She was the first vice president of the NAWSA (1907–1910). Rachael Foster became Susan B. Anthonys traveling companion, helping her with the languages of the countries they visited.

There is no mention of **Nicolas M. Shaw** in literature devoted to the suffrage movement. Perhaps Mr. Shaw was related to Anna Howard Shaw (1847–1919), minister, doctor and activist. Anna H. Shaw was with Susan B. Anthony when the latter died at 12:40 a.m. on Tuesday, 13 March 1906.

Alice Stone Blackwell (1857–1950) was the daughter of Lucy Stone and niece of Elizabeth Blackwell, Americas first woman doctor. She was instrumental in merging the two rival organizations, the National Woman Suffrage Association and the American Woman Suffrage Association into the NAWSA. Alice Stone Blackwell was the recording secretary of the NAWSA for 20 years.

In the crypt of the Capitol building there is a statue of Susan B. Anthony, Lucretia Mott and Elizabeth Cady Stanton. It was

In her vision of the future, pehaps Susan B. Anthony saw a bank operated by women. In 1975 The First Women's Bank opened in New York City on 10 April 1975. (It was sold to the First New York Bank for Business on 24 April 1989; the latter bank failed in November 1992.) An advertising note with the image of another famous woman, Leonardo da Vinci's ***Mona Lisa,*** *was given to those who opened accounts at the bank. I was living in New York at the time and was able to obtain one. For a modern souvenir, these pieces could be moderately scarce; I seldom see them at paper money shows.*

In the early 1970s the initial movement to revive the $2 note was also an attempt to honor Susan B. Anthony. This is a drawing of what the advocates had in mind.

commissioned in 1921 by the National Women's Party. "We've been working with both sides—Democrats and Republicans—to pass a resolution to force the [current] architect to move it into the rotunda," said Suzy Takata of the 75th anniversary task force (*Parade* August 6, 1995).

Sources

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*St. Louis Post-Dispatch,*August 20, 1995.

REFLECTIONS OF *John Hickman*

THE story of the very important part played by the independent banker in the development of our country's resources and in the shaping of the American character is one of great fascination.

Many of our early banks had their beginnings as small merchants who, because they had a strongbox or safe, were called upon to hold for safekeeping many of the community's valuables. Many of these retail merchants were required to "carry" the local farmers and other customers for months before their accounts could be paid. His judgment in extending credit accommodations to the people with the character and ability to pay him their debts when due determined his success or failure. His entire capital was usually "on the line."

The need for banking facilities was most apparent to merchants of this sort, and in thousands of cases all over America the leading merchant was instrumental in organizing the local bank. He helped to select the directors, stockholders and management of the bank. He knew who owned the best land, who had the best character and prospects, and most important, he had a vested interest in the development of his community.

A bank enabled these individuals to tap the dormant funds of the community and to encourage the people in whom they had confidence with credit accommodations. This was particularly true up to the beginning of the first World War. Most of the leading firms in almost every field of endeavor had their beginnings as a small enterprise, dependent on local bankers for encouragement and financial assistance. A timely bank loan has saved many a fledgling endeavor from going by the boards. In a time when the government did not require vast sums, nor guarantee deposits, the rural banker in America had to be made of pretty stern material, maintaining the confidence of the saver and prudently extending the bank's credit. Many heroic and even visionary bankers have made outstanding contributions to the building of communities and businesses.

The signatures found on national bank notes come down to us as testimony of the lives of many of these individuals. Truly, nationals are America's commemorative paper money, preserving and honoring the names of the towns, the banks, and the people who, to a large degree, built our country.

[Hickman & Waters 24th Mail List, 1970].

MY "SPECIAL" CHECK

by BOB COCHRAN

THE Deposit Guaranty Bank (now the Deposit Guaranty National Bank) of Jackson, Mississippi, was organized in early 1925. Today it's a state-wide organization, with over forty banking facilities and three computer centers in twelve Mississippi communities.

My father's family moved to Jackson, Mississippi in the late 1930s. He served in the Army during World War II, and after the war he established a machine shop in my grandmother's garage, not far from downtown Jackson.

I was born on August 20, 1946, at the old St. Dominic's Hospital in Jackson. The physician who delivered me was Dr. F.E. Werkheiser.

My parents had established a checking account at Deposit Guaranty Bank, and illustrated is the check that my mother wrote out to Dr. Werkheiser to pay for my delivery. That's why this check is so "special," since it PAID FOR ME!

Any other SPMC members out there care to tell us about your "special" check?

Third Charter $100 National Bank Notes *and John J. Knox*

by JACK H. FISHER, NLG

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THE Third Charter Period $100 national bank notes is an area of collecting paper money that presents substantial challenges and rewards in respect to the pursuit and acquisition of the desired $100 notes and information about them. These $100 notes are not available in great quantity, and when seen they are usually notes that were issued by large banks in the biggest cities in the most populated states.

My initial attraction to these Third Charter $100 notes was when I wanted to obtain at least one such note on my home state of Michigan. I learned that there were no large-size $100 national bank notes issued by any of the four note-issuing national banks in my hometown of Kalamazoo, Michigan, or the one note-issuing bank in my second hometown of South Haven, Michigan. I soon realized that it would require patience and perseverence. As I searched for Michigan $100 notes I found that not many Third Charter $100 issued by banks throughout the country were offered for sale at major shows, in dealers' advertisements, on dealers' lists or at auctions. Those that were offered from time to time were usually low grade $100 notes issued by very large banks in the large population cities and states. I did locate some Michigan notes, but they were in a collection that was not for sale.

As my search continued I studied the Third Charter Period $100 national bank notes and learned that the Act of Congress of April 12, 1902 was the Act that gave birth to the Third Charter Period with the notes having the designation of "SERIES OF 1902." It was reported that Third Charter Period large

A $100 Third Charter Period Plain Back Blue Seal note issued by The First National Bank in Detroit, Charter Number 10527 with special Serial Number 2222. This note was in the famous Grinnell Collection and Auction.

size $100 notes were issued in 1902 and continued to be issued until 1929, when they were replaced by small size national bank notes.

There were three different issues of $100 Third Charter national bank notes: the first Issue Series of 1902 with Red Seal; Second Issue Series of 1902 with Blue Seal with "1902–1908" on the back of the note; and the Third Issue Series of 1902 with the Blue Seal and without the "1902–1908" on the back that is commonly designated as the "Plain Back." A collector of Third Charter $100 notes could assemble a type collection by obtaining an example of each of these three issues of $100 Third Charter notes. The type collection could be notes from any issuing bank in any city and state.

The collector who resides in a large population state and who desires to collect $100 Third Charter nationals on his or her home state will not find this task very difficult, but even these collectors will have to be patient in obtaining the types, conditions and cities they desire. Collectors who reside in small population states who desire to collect home state Third Charter $100 notes will soon realize that this is a greater challenge than they might have anticipated. Such collectors will definitely require patience, ingenuity and adequate financial resources. And, of course, there is always the matter of just plain luck in being in the right place at the right time to locate and acquire the desired note or notes.

I was excited to see the Third Charter Plain Back Blue Seal uncirculated $100 national bank note issued by the first National Bank in Detroit, Charter Number 10527, with special Serial Number 2222, offered by Stack's in an auction catalog. I attempted to determine if this note might possibly have been in the famous Grinnell Collection. The Grinnell Auction records lists this note as Lot 1810 in the auction catalog. This pedigree made the note a definite plus in my mind. I acquired the note at the Stack's Auction, and it is used to illustrate this article. I was also successful in acquiring some other Michigan $100 large size notes issued by banks located in three different cities. And the search goes on!

The more I became involved with the Third Charter $100 notes the more I saw the portrait of John J. Knox in the catalogs and on the actual notes. The catalogs made little mention of John J. Knox other than the mere statement of the fact that he was Comptroller of Currency from 1872 to 1884. The honor of having his portrait placed on the Third Charter $100 notes prompted me to believe that there was more to Knox than the fact that he was Comptroller of the Currency.

I learned that he was born in Augusta, New York on March 19, 1828 as the seventh child of John J. Knox and Sarah Curtiss Knox. His great grandfather, John Knox, arrived in America about 1775 from Strabane, County Tyrone, Ireland.

Knox received his early education in the Augusta Academy and the Watertown Classical Institute. He then entered Hamilton College where he was an excellent student and was elected to Phi Beta Kappa scholastic honorary society before his graduation in 1849.

John J. Knox was raised in a banking and finance family. His father was president of the Bank of Vernon at the time Knox received his college degree and his first employment after graduation was as a teller at this bank where he received the benefit of practical experience and knowledge in banking from his father.

In 1852 he obtained employment as a teller at the Burnet Bank in Syracuse, NY after he assisted in the organization of this bank. He became active in the organization of the Susquehanna Valley Bank at Binghamton, NY, and he became Cashier of this bank. Knox decided to utilize his accumulated knowledge and experience in banking and finance to organize and carry on a private banking business in St. Paul, MN. He operated this private banking business from 1857 until about 1862.

It was in 1862 that he prepared his research into workable data for review and analysis. He commenced writing drafts of his opinions and ideas about banking, finance and fiscal matters and his final draft constituted an article that he submitted for publication in *Hunt's Merchants Magazine and Commercial Review*. He set forth his reasons and opinions for the "establishment of a national banking system with a safe, elastic, convertible, and uniform paper currency." This article drew much attention and precipitated widespread discussion.

Secretary of the Treasury Salmon Chase was impressed with the article and with Knox. Knox was appointed a "clerk" in the Department of the Treasury. He functioned in this capacity until about 1865 when he was offered and accepted the position of Cashier of the Exchange National Bank at Norfolk, Virginia. In 1866 he re-entered the Department of the Treasury, during Secretary McCullough's administration, and

his major contribution was his detailed report on the San Francisco Branch Mint.

Knox was placed in charge of investigating the approximate $1 million embezzlement in the office of the Assistant Treasurer of the United States. His work on this and other important projects and matters brought about his promotion to Deputy Comptroller of Currency on October 16, 1867. His experience and accomplishments were so substantial and of such high calibre that he was recognized by President Grant. President Grant thereafter promoted him to the office of Comptroller of Currency on April 24, 1872.

Knox served on the Committee that proposed codification by the Congress of the coinage and mint laws. He also assisted in the drafting of the proposed Bill to accomplish this proposed codification. This Bill was regarded as being controversial, and it was argued for almost three years. The Bill was finally passed on February 12, 1873 with the name being the Coinage Act of 1873. It discontinued the coinage of the silver dollar, and the unit of value was established as the gold dollar.

Two successive Presidents were also impressed with Knox. He was reappointed Comptroller of the Currency by President Hayes in 1877 and President Arthur in 1882.

Knox remained Comptroller of Currency until May 1, 1884. At that time he resigned to become President of the National Bank of the Republic in New York, NY. He remained president of this bank until his death on February 9, 1892.

Other accomplishments and matters of interest about Knox are that he served as a member of the Assay Commission and that he assisted the Treasurer and Assistant Treasurer of the United States in many matters of great importance even after he was a private citizen no longer connected with the Department of the Treasury. This included assisting the Assistant Treasurer of the United States to become a member of the New York Clearing House. Knox was also considered to be instrumental in the institution of procedures to resume specie payments on January 1, 1879.

His knowledge and advice were widely sought by many in the private sector after his resignation from government service. He actively assisted the American Bankers Association and other financial groups and organizations. He lectured quite frequently, and he was visiting lecturer at a number of colleges and universities.

His friends and most of his critics agreed that he was "genial and gentle of disposition." It was also noted that he loved and had quite substantial expertise in art, music and poetry. In written obituary accounts it was stated "he was of sound judgment, a constructive financier, and a leading authority in framing legislation relating to the government monetary system."

Knox was a prolific writer and lecturer. It was reported that the twelve annual reports written by him as Comptroller of Currency were masterpieces, with great and important factual information pertaining to monetary matters under consideration and discussion at the time of each report. Knox reported the pro and con of each such matter which resulted in providing illumination of each subject for all interested parties.

Knox authored and published an important 1884 monograph titled *United States Notes: A History of the Various Issues of Paper Money by the Government of the United States*. He also provided the basis for the *History of Banking in the United States* published around 1900. He authored many articles on banking for encyclopedias, periodicals and newspapers.

John J. Knox was also a very good family man. He married Caroline Todd on February 7, 1871, and the marriage was reported as being a good and loving one that produced three children.

Michael Miller SPMC 1123 of Lancaster, PA learned of my interest in John J. Knox and provided me with a final dividend check issued and signed by John J. Knox as Commissioner of the Freedman's Savings and Trust Company. My Third Charter Michigan $100 notes with the portrait of John J. Knox have now assumed more character and personality.

A Final Dividend Check issued by The Commissioner of the Freedman's Savings and Trust Company dated April 1, 1883 personally signed by John J. Knox as Commissioner. (Credit Michael Miller SPMC 1123.)

I am interested in learning about all Michigan Third Charter $100 notes for research purposes, and information along with photocopies of any such notes will be appreciated. This information should be sent to me at 3123 Bronson Boulevard, Kalamazoo, Michigan 49008. The information obtained will be shared with the numismatic-syngraphic community. ■

First in war; first in peace; first in the portfolio of a countryman.

"John Carter" AND THE EARLIEST KNOWN AMERICAN STOCK CERTIFICATE

by NED W. DOWNING

The Bank of North America was chartered by Continental Congress on December 31, 1781 as our country's first incorporated stockholder-owned business—the beginning of corporate America! Bestowing the privilege of incorporation was viewed most suspiciously by the Congress of a nation fighting against England's misuse of such prerequisites, but there seemed no other alternative in 1781. The United States' financial condition was then in total disarray. Continental currency provided the biggest part of patriot financing until 1779. For the next two years Washington's army would have starved and gone shoeless into battle were it not for the extraordinary efforts of Robert Morris—"Financier of the Revolution"—chosen Superintendent of Finance by Congress in 1781. Continental currency had sunk in value until it was hardly worth the paper it was printed on by the time the bank opened its doors for business!

ROBERT Morris and other leading Philadelphia citizens organized a public subscription that resulted in commitments to borrow almost £300,000 to supply Washington's army for the expected campaign of 1780. In May of 1781 newly elected Superintendant of finance Morris proposed to Congress to establish a national bank with a capital of $400,000 specie by selling 1000 shares at $400 per share—America's first IPO ! Subscriptions to the national bank were aided by the transfer of pledges from the earlier 1780 subscription, but even after the monumental patriot victory at the Battle of Yorktown in August only $85,000 had been raised by December 1781. All but the most patriotic citizens viewed the proposed Bank of North America scheme as a sure way to lose what little money they had left. Morris and his bank scheme received a windfall when Tench Francis arrived in Philadelphia—spirited through enemy lines from Boston—with many teams of oxen dragging some $470,000 in cash borrowed from the French King Louis XVl as the result of pleadings by Minister Plenipotentiary Benjamin Franklin and special emissary of Congress, Col. John Laurens, Alexander Hamilton's best friend. Morris immediately subscribed to the 633 shares remaining of the new bank on behalf of the United States and completed the subscription list so that the bank could be officially incorporated on December 31, and open its doors for business on January 7, 1782 amidst much fanfare.

Monied men withheld their financial support from the initial subscription for many reasons, not the least of which was their suspicions about the legality of the bank's national charter granted by the Continental Congress. Robert Morris and Thomas Willing, the first president of the bank (and Morris' private business partner), immediately applied to Pennsylvania for a charter on behalf of the bank. This was granted in March of 1782. When Massachusetts and other states also granted the bank incorporated status, the perpetual franchise status of the Bank of North America began to look more promising.

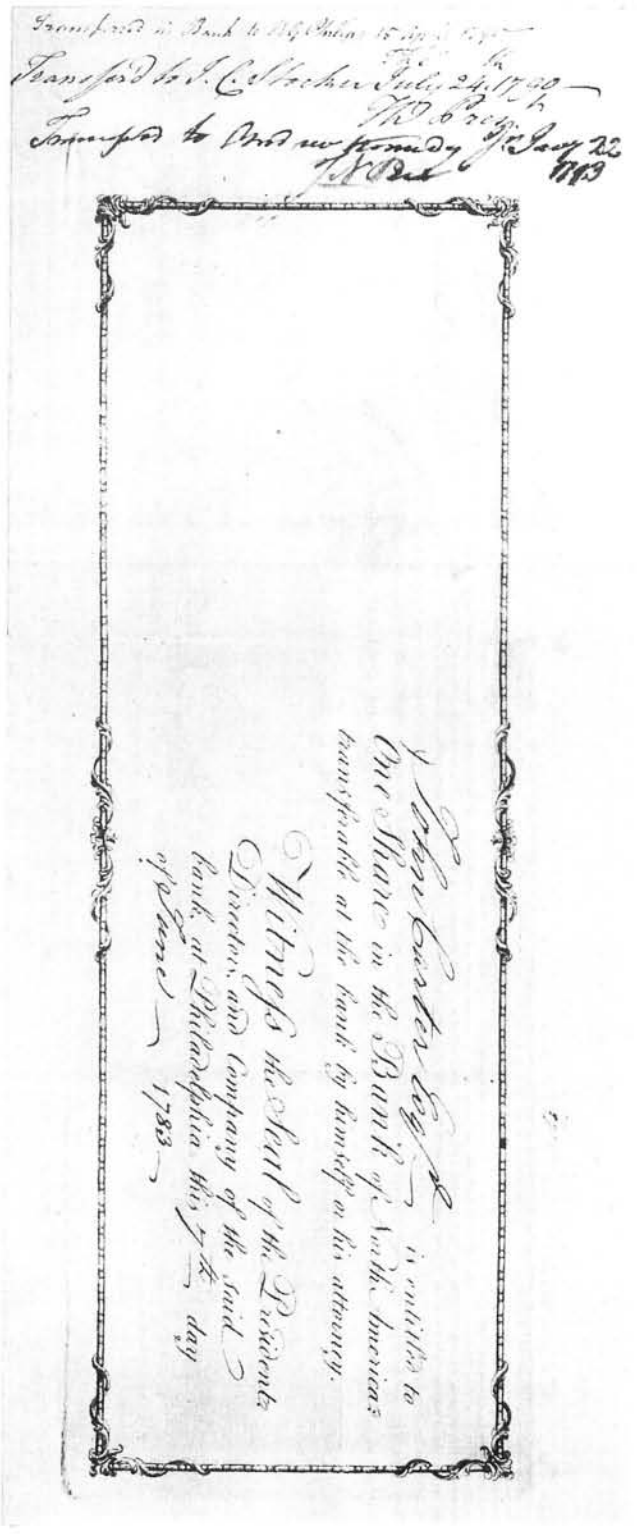
The bank, under Superintendent of Finance Morris' direction in 1782–3, struggled to support the credit of the United States, to supply Washington's army, to discount merchants notes and to make a profit. Superintendent of Finance Robert Morris skillfully maneuvered the bank's notes, the French cash, Continental currency, state-issued currency, New Emission Money, his personal notes and bills of exchange, and U.S. government bills of exchange on France, Spain, and the Netherlands. State and U.S. government loans held by the bank, and the 633 shares of Bank of North America stock purchased initially by the United States, subsequently became collateral (and later payment) for various government loans. For a while John Paul Jones, the famous Revolutionary War sea captain was the bank's largest stockholder. Later, Robert Morris became the bank's biggest individual stockholder other than the United States with only 20 shares as late as June 30, 1783. George Washington described Morris' financial wheeling and dealing as the "Art Magick!" It's possible that Morris invented the legendary so-called "mirrors" on Wall Street referred to today as the means to accomplish monumental transactions without the apparent resources to do so. Morris' letters to Franklin in Paris proposing a massive international check-kiting scheme underscore the desperate situation Morris faced. Morris, as Superintendent of Finance, had few solid resources other than his reputation, business contacts, and personal credit, but the Bank of North America provided his biggest opportunity for urgently needed credit expansion as the American economy made the difficult transition from war to peace.

In 1782 Jeremiah Wadsworth and "John Carter," military contractors to both the American and French armies, began

buying up stock in the bank sold by original stockholders in multiple distress sales at $380 per share plus the 4½% dividend declared in July. John Chaloner, merchant and trader from Philadelphia, was their broker in these transactions and in doing so may have been acting as our nation's very first stock broker. "Wadsworth and Carter," as their partnership was known, bought 21 shares prior to the news of a peace agreement in March of 1783. Several of Morris' letters of the period contain bold statements touting the investment merits of the bank stock. His efforts to sell stock in the Bank of North America predated those of John Chaloner and Morris' appointment as Superintendent of Finance. Morris thus also holds a claim to being our nation's first stockbroker-investment banker!

After the bank announced a 6½% dividend, Morris and his friends bought up the remaining shares (Treasury stock exchanged by the U. S. with the bank in lieu of repayment of bank loans) of the original 633 held by the bank in July of 1783. Thus, the closely knit group of Morris' clerk and cashier, John Swanwick (71 shares), Morris (98), Willing (11), Bingham (95), Wadsworth (104), and Carter (98) accumulated a 48% interest in the bank with 139 other stockholders and then planned a new secondary offering at $500 per share, up $100 per share! Wadsworth and Carter immediately traveled to Europe, where they expected to tap a substantial demand for investments in our newly liberated country, so it made sense for them to be substantial stockholders.

With the foregoing as background we can now better interpret the subject of this sketch, the June 7, 1783 dated Bank of North America earliest-known American share certificate of a publicly owned company—this one payable to one "John Carter." This share is not only the earliest known but also the *only* known share in existence from the original Bank of North America—our nation's first IPO. The unique certificate and its revealing associations unlock a primary and mostly forgotten chapter of American capital market history that needs to be remembered.

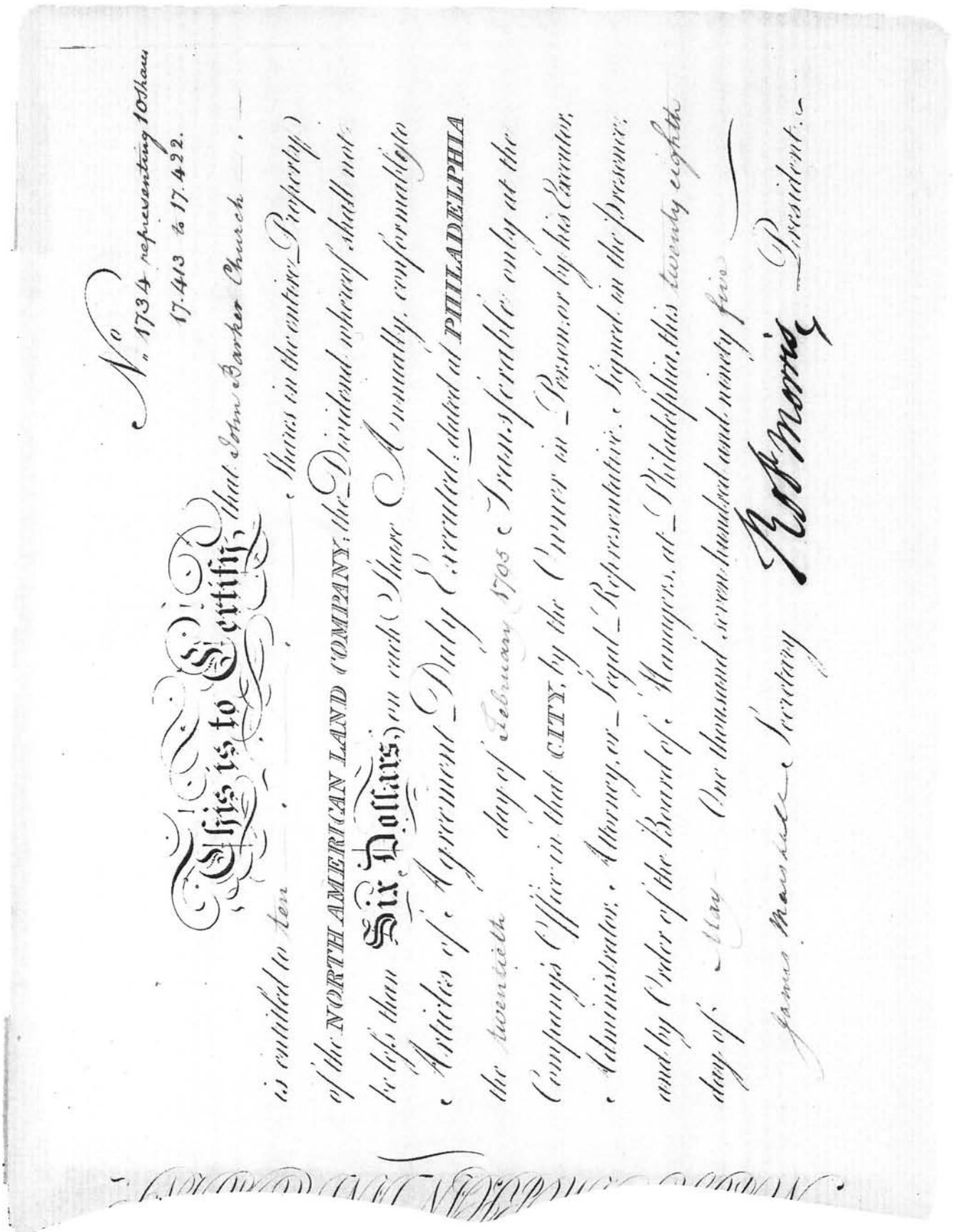


Who was "John Carter"?

From study of the life of Alexander Hamilton, it is clear that this "John Carter," a wealthy English adventurer, was actually named John Barker Church and had come to this country early in the Revolution. Historians have speculated that Church may have been motivated to change his name and come to this county after his disgrace in an English duel.

Whatever the reason, "Carter" was soon introduced to the lovely Angelica Schuyler, daughter of Albany land-baron and Revolutionary War General Philip Schuyler, by none other than the scheming William Duer (he caused the first stock market crash in March of 1792 in a failed massive "corner" attempt). Much to the dismay of the proper Schuylers, "Carter" and Angelica eloped on July 23, 1777 and moved to Boston where "Carter" speculated in the Revolutionary War maritime insurance underwriting business. Insurance rates had risen from the peacetime 1½ to 2½% to as much as 30 or 40% during the war. Some say "Carter" may have increased his odds by having English partners close to the British Admiralty in his business, but this has never been proven.

Alexander Hamilton began to court Elizabeth "Betsy" Schuyler, Angelica's sister, in 1778 while on military business in the Northern Department as primary Aide-de-Camp to Commander-in-Chief George Washington. "John Carter," Hamilton's brother-in-law to be, became business partners at this time with Jeremiah Wadsworth in the very profitable military contracting business serving both the American and French armies. The Schuyler-Hamilton-Washington connection couldn't have harmed "Carter"! He reported that the partnership of Wadsworth and Carter had netted £34,685 in 1783, so it is easy to understand why Jeremiah Wadsworth and John


No. 1734 representing 10 shares
17.413 to 17.422.

This is to Certify, That John Barker Church
is entitled to ten Shares in the entire Property
of the NORTH AMERICAN LAND COMPANY; the Dividend whereof shall not
be less than Six Dollars, on each Share Annually, conformable to
Articles of Agreement Duly Executed, dated at PHILADELPHIA
the twentieth day of February 1795 Transferrable only at the
Company's Office in that CITY, by the Owner in Person or by his Examiner,
Administrator, Attorney, or Legal Representative. Signed in the Presence
and by Order of the Board of Managers, at Philadelphia, this twenty eighth
day of May One thousand seven hundred and ninety five

James Mandeville Secretary Robt Morris President.

Carter became the two largest stockholders in our country's first public stock offering, the Bank of North America.

When the September 3, 1783 Treaty of Paris officially ended the Revolutionary War and established the peace, "Carter" and Angelica departed for Europe with Jeremiah Wadsworth and left all of "Carter's" complicated American business affairs, including the June 7, 1783 Bank of North America stock certificate, which is the subject of this sketch, in the hands of

his brother-in-law lawyer, Alexander Hamilton. The certificate most likely remained in Hamilton's possession in New York City until Hamilton himself was appointed Secretary of the Treasury on September 11, 1789 in the new Constitutional government. Part of Hamilton's grand plan as Secretary of the Treasury was for a new Bank of the United States, more than likely a formidable competitor for the Bank of North America.

In 1789 tongues wagged in New York City when the lovely Angelica Church returned for a visit to the United States without her husband, John Barker Church (John Carter). Hamilton had always carried on an openly flirtatious affair with his wife's sister, both in person and in their many letters, but scandalous gossip erupted as their affair broke into the open. John Barker Church's biographer, Helen Phelen, even speculates that Angelica may have lived with Hamilton at 58 Wall Street on this trip while "Betsy" Hamilton was at the Schuyler home in Albany with the children. Angelica apparently provided inspiration for Hamilton who was busy at this time writing his most important state paper, *"Report... For the Support of the Public Credit...!"* Angelica returned to Europe before Hamilton finished his most famous *"Report...."* Both Hamilton's and her letters became much more ardent after this trip. Curiously, "Betsy" Hamilton never admitted any misgivings about this or any other affair of her husband.

Perhaps because as Secretary of the Treasury in his January 1790 *"Report...For the Support of the Public Credit"* he planned to propose a scheme for a truly national bank, Hamilton had responded positively when earlier approached by Robert Morris with a delayed payment scheme to purchase some or all of Church's at least 140 share holding in the Bank of North America. But Hamilton fortunately didn't rely totally on Robert Morris for stockbrokering advice. Shares of the Bank of North America traded very infrequently, often one at a time and were around $400 per share, reported bank president Thomas Willing in a March 22, 1790 letter to Alexander Hamilton. In his answer to Hamilton's inquiries on Church's behalf to sell, Willing advised, "I will retail them even by a Single Share, to accommodate you as soon as possible." On March 30, 1790 Hamilton wrote to Brockholst Livingston, another New York City lawyer, enclosing 100 of Church's shares in the Bank of North America and asked Livingston to deliver the stock to Thomas Willing for transfer if details could be worked out on his and Church's behalf to sell them to Robert Morris.

The single share certificate, subject of this sketch, has the following endorsement on its far left border, "Transferred in Bank to N G Philips 15 April, 1790 *(signed with initials)* T{*ench*} F{*rancis*} C{*ashie*}r." Yes, this is the same Tench Francis who carted the $470,000 cash from Boston and in whose old storefront the Bank of North America was located and who slept over the bank with the strongbox under his bed for security! The bank's original office, its headquarters for 65 years, can still be seen today as part of Corestates (successor company to The Bank of North America) financial Corp.'s office on Walnut Street in Philadelphia. N. G. Philips, the first endorsee on the certificate, appears to be one of the "Single Share" buyers about whom Willing wrote to Hamilton. From the rest of the Hamilton correspondence published it appears the balance of Church's stock was sold to Robert Morris. Hamilton (and Church) chased Morris for the promised delayed payment to their mutual mortification for many years and the debt wasn't settled satisfactorily in either of their lifetimes. Various attempts at settlement, however, have left a colorful paper trail. Share certificates (example pictured) payable to John Barker Church of the North American Land Company, a Robert Morris inspired securitized real estate adventure comprising of over 9,000,000 acres of land in America, were sent to Church by Morris in 1795 in lieu of the delayed payment for the Bank of North America stock. Church knew the land company scheme was unsound so he rejected this payment attempt.

In 1796 John Barker Church or "John Carter," to whom our share is made payable, bought a very fine set of English dueling pistols inscribed "WOGEN." A fine copy of these pistols can be seen today at the Trinity Church (sic) Museum at the head of Wall Street where Alexander Hamilton is buried. On September 2, 1799 Church used the originals in an indecisive duel with Aaron Burr in which he shot a button from Burr's shirt, and then apologized after one round had been fired unsuccessfully by Burr. On November 3, 1801 Church lent the same pistols to Alexander Hamilton's oldest and most promising son, Philip, after Philip had been challenged to a duel by George Eacker in a public house. The results were fatal to Philip and Alexander Hamilton never fully recovered from the loss.

On July 11, 1804 Church's two .455 caliber 9"-barrel dueling pistols with the secret hair trigger were borrowed by Alexander Hamilton to settle an argument with Aaron Burr on the very same ground in Weekauken, N. J. where his son had been killed. Unfortunately for Hamilton, his family, and for the nation for which Hamilton had achieved so much, Burr mortally wounded Hamilton this day and he died the next with his woeful and penniless family at his side.

And so the story, bottled-up so effectively in this long hidden June 7, 1783 share of the Bank of North America made to "John Carter," seems much more important than just the earliest-known American share of corporate stock. That the American capital market's first known stock certicate was serendipitously held by "The Father of American Capitalism," Alexander Hamilton, through much of the 1783–1790 period of some of his most important work, is testament to its greater significance. And Hamilton's relationship with the certificate's owner, "Carter," his scandalous affair with "Carter's" wife, Angelica—sister to his own wife—and the travesty of his and his son's useful lives cut short by the duel using Carter (Church's) pistols flesh out an important and little known part of one of the most important lives of any of our Founding Fathers. The share certificate made to "John Carter" is an icon resplendent, and American capital market history is richer for its preservation and its story revealed.

Ned W. Downing is a Weston, MA collector and private curator of the autographed letters, documents, and financial instruments of early American financial and business history. He can be reached at 617-239-8031.

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Legal Tenders, 5–20 Bonds and Politics

by FORREST W. DANIEL

The fiscal situation following the Civil War was a confusion of monetary instability, legal uncertainty and political intrigue. The principal players in the legal and political aspects of United States monetary policy were an incongruous group, many of whom had been on both sides of the greenback issue at one time or another, so a sorting-out is difficult. This bare-bones sketch was undertaken to give probable attribution to a sheet of unsigned polemical literature (and a fraction of it) usually, and wrongly, ascribed to the Greenback Party, and to suggest that Treasurer Francis E. Spinner dismissed the parody of the treasury note at the top of the sheet as no threat to the nation's currency. The sheet calls for the redemption of the 5-20 bonds of 1862 in greenbacks "according to the contract," not the gold coin demanded by the bondholders.

THE legal tender treasury notes and 5-20 bonds were issued under the same Congressional Act of February 25, 1862; Acts of March 3, 1864 and January 28,1965 expanded the limit of bond sales. The Act provided a circulating currency and an issue of bonds which could be purchased with that currency. The treasury notes, $150,000,000 of them, were intended to replace the $60,000,000 of demand notes of 1861 that call for payment in coin the government was unable to supply since specie payment had been suspended on December 28, 1861. Some opponents said the state banks would absorb the treasury notes to buy bonds and substitute their own notes. That contingency was curtailed in 1864 when the national banking act was passed and a repressive tax was placed on state bank circulation.

The Legal Tender Greenbacks

The old question of whether Congress had the power to issue bills of exchange and to make them legal tender arose again, and Attorney General Edward Bates gave an informal opinion that it had. Although Treasury Secretary Salmon P. Chase said he felt only coin should be legal tender, he conceded the requirements of the war made the issue of legal tender treasury notes necessary. Debate in Congress was thorough and heated. One of the strongest speeches in opposition was given by Congressman George H. Pendleton of Ohio. He said the proposal would void all existing contracts since they would be made payable in depreciable paper rather than the gold or silver called for or implied in any contract. He said also that it would become illegal to make a contract dealing in gold and silver coin, and he questioned the Constitutional power to issue the notes and cited several sources for his argument. Others predicted the value of the notes would fall to as much as 25 percent below par, thereby increasing the cost of the war by that amount. In the end, extraordinary times called for extraordinary measures and the legal tenders were issued.

George H. Pendleton whose "Ohio Idea" became the basis for the 1868 Democratic greenback platform. (Harper's Weekly, Sept. 17, 1864.)

The constitutionality of the legal tenders was defined first in the case of Hepburn vs. Griswold. On June 20, 1860 Susan P. Hepburn gave a promissory note to Henry Griswold pledging to pay $11,250 plus interest on February 20, 1862. When the note was made and when it was due the only lawful money was gold and silver coin. Five days after the note fell due the first legal tender act was passed by Congress. The note overdue, in March 1864 Mrs. Hepburn was sued for payment and she tendered $12,720 in legal tender notes, worth about $7,000 in coin. The tender was refused. The money was paid to the court in escrow and the debt declared satisfied; an appeal in the Kentucky Court of Errors reversed the Chancery Court. Mrs. Hepburn took the case to the United States Supreme Court in 1867 but the decision came only in December 1869. The majority (5–3) decision delivered by Chief Justice Salmon P. Chase, who as secretary of the treasury acquiesced when the act was passed, held that the legal tenders were unconstitutional. A later case with a nine-member court declared, in 1872, the legal tender acts were constitutional for contracts made both before and after their enactment. Chief Justice Chase dissented.

The war served as justification for the notes; but the war was over and many believed the nation should return to a specie-based economy. Secretary of the Treasury Hugh McCulloch, erstwhile banker from Indiana, was in favor of withdrawing and cancelling the excess of treasury notes by converting them into bonds; lessening the quantity of greenbacks would bring the remaining notes closer to par with gold and make resumption of specie payment easier. He believed failure to retire the greenbacks would result in a panic. Secretary McCulloch was convinced that with proper management the war could have been financed without suspension of specie payment and that the issue of treasury notes had produced an inflated war debt.

Others believed withdrawal of the bills would cause distress in the marketplace by reducing prices to the detriment of trade; that government revenue would be reduced; that reduction of government notes would force national banks into liquidation; and, among other objections, debtors would be forced to repay their inflated debts with deflated money. The sponsors of the sheet to be discussed later clearly fall in the latter class.

The 5-20 Bonds

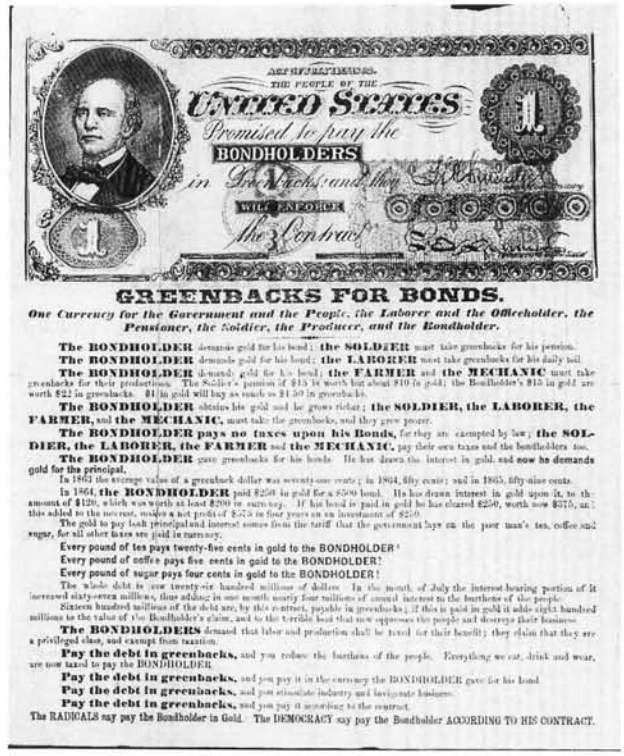
The Act of February 25, 1862, which authorized the legal tender notes also authorized up to $500,000,000 of 6 percent bonds redeemable at the pleasure of the United States after five years, and payable twenty years from date. The bonds, called 5-20s for their redemption period, could be sold at par for treasury notes or for gold at its value in paper; officials hoped the bonds would absorb many of the notes and control excess issue. Interest was payable in gold and was tax exempt; but there was no statement of the medium to be used to pay the principal. That became a point of contention at redemption day.

When sales of the 5-20s lagged, Philadelphia banker Jay Cooke was employed to market the bonds. His commission was one-half of one percent on the first $10,000,000 of bonds sold, and three-eighths of one percent on the rest. A very aggressive sales campaign oversold the issue and the Act of March 3, 1864 authorized another $11,000,000 of 5-20s to fill the orders. Although the medium for payment of the principal was not stated in the Act, Cooke intimated broadly that the bonds would be redeemed in gold; and that may well have influenced the popularity of the issue. Besides, almost everyone believed specie payment would be resumed well before the bonds fell due, making payment in gold a matter of course. An additional $4,000,000 5-20s for sale in Europe as well as the United States was authorized on January 28, 1865.

The first of the 5-20 bonds became eligible for redemption in 1867 and the medium of payment became a focus of political contention.

The Pro-Greenback Flyer

A propaganda sheet in opposition to the Treasury Department policy of paying out gold to redeem the 5-20 bonds of 1862 is headed with a full-size, two-color simulation of a $1 United States treasury note. That flyer appears to be the first, or at least a very early, piece of political rhetoric which developed, some ten years later, into the political Greenback Party. Although it bears no signature of sponsorship it is surely a Democratic campaign piece from 1868; evidence for that attribution will follow. The text on the front reads:



Front of the 1868 Democratic campaign literature.

GREENBACKS FOR BONDS.

One Currency for the Government and the People, the Laborer and the Officeholder, the Pensioner, the Soldier, the Producer, and the Bondholder.

The BONDHOLDER demands gold for his bond; the SOLDIER must take greenbacks for his pension.

The BONDHOLDER demands gold for his bond; the LABORER must take greenbacks for his daily toil.

The BONDHOLDER demands gold for his bond; the FARMER and the MECHANIC must take greenbacks for their productions. The Soldier's pension of $15 is worth but about $10 in gold; the Bondholder's $15 in gold are worth $22 in greenbacks. $1 in gold will buy as much as $1.50 in greenbacks.

The BONDHOLDER demands his gold and he grows richer; the SOLDIER, the LABORER, the FARMER, and the MECHANIC, must take the greenbacks, and they grow poorer.

The BONDHOLDER pays no taxes on his Bonds, they are exempted by law; the SOLDIER, the LABORER, the FARMER and the MECHANIC, pay their own taxes and the bondholders too.

The BONDHOLDER gave greenbacks for his bonds. He has drawn the interest in gold, and now he demands gold for the principal.

In 1863 the average value of a greenback dollar was seventy-five cents; in 1864, fifty cents; and in 1865, fifty-nine cents.

In 1864, the BONDHOLDER paid $250 in gold for a $500 bond. He has drawn interest in gold upon it, to the amount of $120, which was worth at least $200 in currency. If his bond is paid in gold he has cleared $250, worth now $375, and this added to the interest, makes a net profit of $575 in four years on an investment of $250.

The gold to pay both principal and interest comes from the tariffthat the government lays on the poor man's tea, coffee and sugar, for all other taxes are paid in currency.

Every pound of tea pays twenty-five cents in gold to the BONDHOLDER!

Every pound of coffee pays five cents in gold to the BONDHOLDER!

Every pound of sugar pays four cents in gold to the BONDHOLDER!

The whole debt is now twenty-six hundred millions of dollars. In the month of July the interest-bearing portion of it increased sixty-seven millions, thus adding in one month nearly four millions of annual interest to the burthens of the people.

Sixteen hundred millions of the debt are, by this contract, payable in greenbacks; if this is paid in gold it adds eight hundred millions to the value of the Bondholder's claim, and to the terrible load that now oppresses the people and destroys their business.

The BONDHOLDERS demand that labor and production shall be taxed for their benefit; they claim that they are a privileged class, and exempt from taxation.

Pay the debt in greenbacks, and you reduce the burthens of the people. Everything we eat, drink and wear, we are now taxed to pay the BONDHOLDERS.

Pay the debt in greenbacks, and you pay it in the currency the BONDHOLDER gave for his bond.

Pay the debt in greenbacks, and you stimulate industry and invigorate business.

Pay the debt in greenbacks, and you pay it according to the contract.

The RADICALS say pay the Bondholder in Gold. The DEMOCRACY say pay the Bondholder ACCORDING TO HIS CONTRACT.

The text on the back of the sheet quotes, with emphasis, part of the law of February 25, 1862, which authorized the first issue of United States notes (greenbacks) and so-called 5-20 bonds.

THE CONTRACT.

The Law authorizing the first issue of Greenbacks and 5.20 Bonds, is as follows:

ACT OF FEBRUARY 25, 1862.

SECTION 1. The Secretary of the Treasury is hereby authorized to issue, on the credit of the United States, one hundred and fifty millions of dollars of United States notes, not bearing interest, payable to bearer at the Treasury of the United States, and of such denominations as he may deem expedient, not less than five dollars each. * * * And such notes shall be receivable in payment of all taxes, internal duties, excises, debts, dues and demands of every kind due to the United States, except duties on imports, and *of all claims and demands against the United States of every kind whatsoever, except for interest upon bonds and notes, which shall be paid in coin.* And shall also be lawful money and a legal tender in payment of all debts, public and private, except duties on imports and interest as aforesaid. * * * And such United States notes *shall be received the same as coin, at their par value,* ***IN PAYMENT FOR ANY LOANS*** *that may be hereafter sold or negotiated by the Secretary of the Treasury.*

SECTION 2. The Secretary of the Treasury is hereby authorized to issue coupon bonds or registered bonds, to an amount not exceeding five hundred millions of dollars, redeemable at the pleasure of the United States after five years, and payable twenty years from date, and bearing interest at the rate of six per centum per annum, payable semi-annually. And the Secretary of the Treasury may dispose of such bonds at any time, *at the market value thereof* for the coin of the United States, *or for any of the Treasury notes that have been or may hereafter be issued* under the provisions of this act; and all stocks, bonds, and other securities of the United States held by individuals, corporations or associations within the United States, *shall be exempt from taxation* by or under State authority.

Back of the 1868 Democratic campaign sheet; written in pencil is, "Warrensburg NY Oct 30th 1868".

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The monetary situation in 1868 into which the propaganda for an exclusive greenback currency intruded was a confused one. But which group espousing the greenback cause was it?

According to author Irwin Unger there were at least three well-defined currents in the soft money doctrine in the early post-war years. One was identified with western and Pennsylvania Republican business components often considered the controlling elite. The second group was a mixture of political philosophies: Jeffersonian agrarianism, Democratic opportunism and Copperhead thirst for revenge. They were largely Democratic, but there were Republicans who felt too strong opposition to greenbacks would lose the election; overall they were western rural agrarians. The third element, which may have held the germ of the later Greenback Party, was utopian in nature, drawing on the frustrations and aspirations of labor and the extremist humanitarian reformers in an uncongenial era. Groups overlapped.

Greenback advocates included Henry Carey, an iron manufacturer, who in the 1840s proposed an economic system for the country and Brick Pomeroy, who a decade later published many of the Greenback Party ephermera notes. Leaders for years in the hard money camp, including Senator John Sherman, who was firmly opposed to the contraction of the legal tenders, were attracted to the greenback idea. There was a confusion of parties and philosophies, established leaders, and newcomers who became leaders in the future Greenback Party.

George Hunt Pendleton of Ohio, opponent of the legal tenders in 1862 and Democratic vice-presidential candidate in 1864, was a hard money man and anti-greenback as late as April 1867. (Throughout the war the Democratic party held greenbacks to be an example of Republican dishonesty.) While seeking the presidential nomination in 1868, Pendleton advanced a plan—so called the "Ohio idea"—to pay the principal of the government bonds in greenbacks instead of coin. Although Pendleton failed to get the nomination, and the "Ohio idea" lost its name, the thesis took unexpected root.

The financial plank of the Democratic platform drawn up by Henry C. Murphy, a Tammany stalwart, was almost completely

Pendletonian. It recommended repayment of federal obligations in "strict accordance with their terms," taxation of government bonds and "one currency for the Government and the people, the laborer and the officeholder, the pensioner and the soldier, the producer and the bondholder." That last clause clearly identifies the flyer as a Democratic campaign document since it is quoted as the second headline on the front page.

The first clause, "In strict accordance with their terms," was ambiguous, since greenbackers and anti-greenbackers could interpret "terms" in opposite ways. To clear any confusion the committee revised the clause to commit the party to payment of the debt "in lawful money of the United States"—either greenbacks or gold where there was no provision to the contrary. On the flyer that became: "The DEMOCRACY say pay the Bondholder ACCORDING TO HIS CONTRACT." A second point of identification.

Presidential candidate Horatio Seymour was a hard money man nominated to run on a greenback platform. Manton Marble, in the *New York World*, wrote the financial plank was sound; and that a single currency for government, pensioner and bondholder actually meant a uniform gold standard. The plank was agreeable to everyone. Campaign emphasis was tailored to fit every audience and area: where greenbacks were popular, that issue was stressed; where they were not, other issues were focused and greenbacks ignored. Republicans took just the opposite tack in the same areas. In the end Seymour thought the financial plank lost the election for the Democrats.

Spinner and the Democratic Flyer

A flyer similar, if not identical, to the one just described came into the hands of Robert C. Davis, a druggist in Philadelphia. He was alarmed about it and sent a copy to Treasurer Francis E. Spinner for his comments. Spinner replied:

Washington, September 4, 1868

My Dear Sir:—

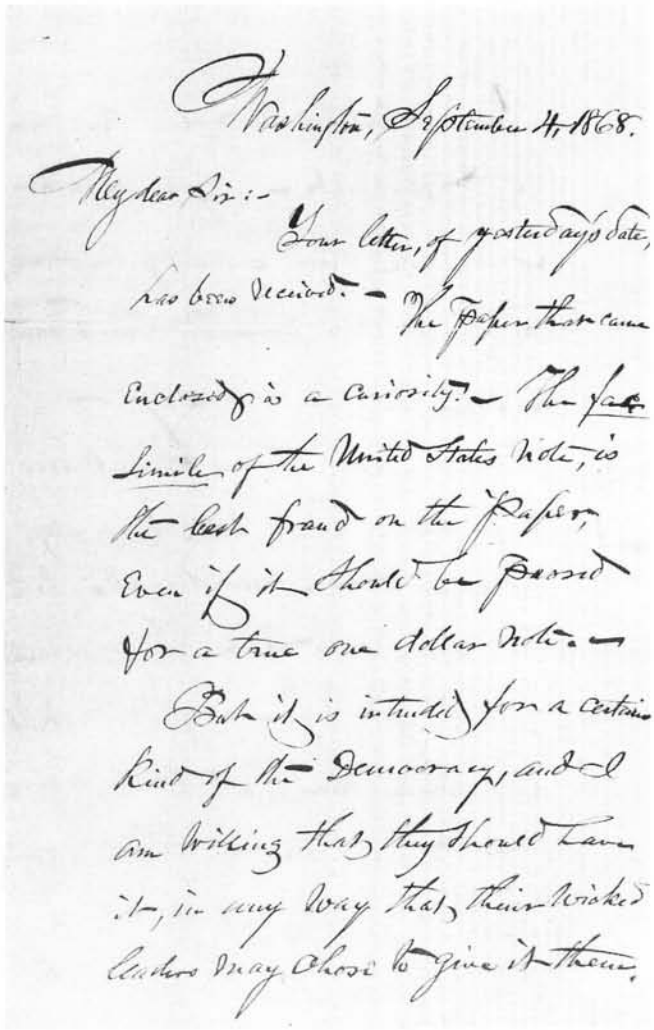
Your letter, of yesterday's date, has been received.—

The paper that came enclosed is a curiosity.—The fac-simile of the United States note, is the least fraud on the paper, even if it should be passed for a true one dollar note.—

But it is intended for a certain kind of the Democracy, and I am willing that they should have it, in any way that their wicked leaders may chose to give it them....

[The rest of the letter is unrelated to the flyer.]

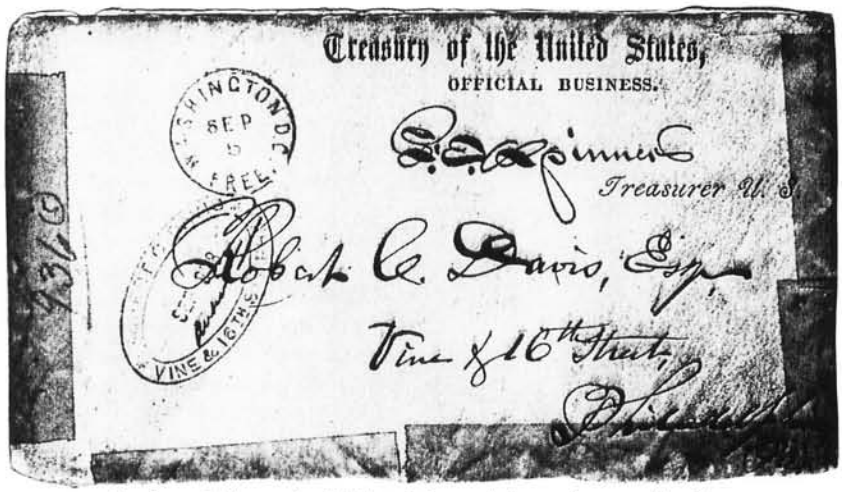
Very respectfully yours,
F. E. Spinner



F.E. Spinner's letter to Robert C. Davis.

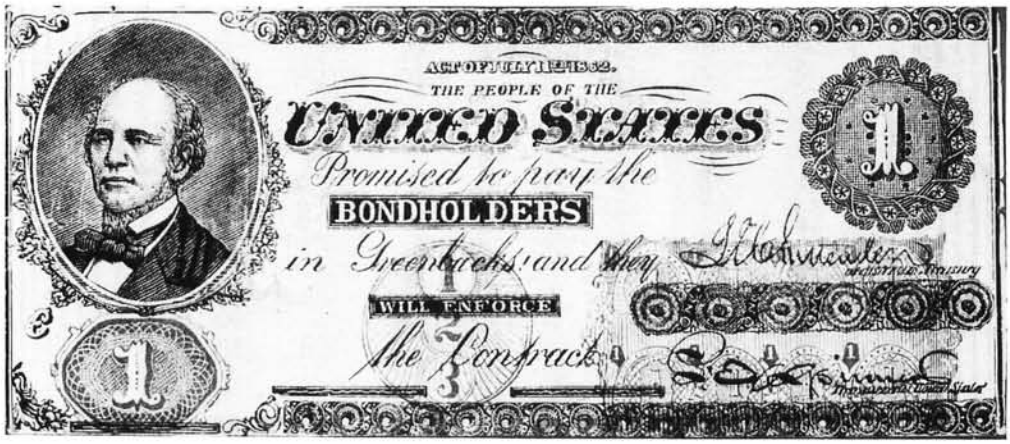
Spinner's reply indicates that he received the entire sheet and that he had no great objection to the circulation of the flyer and its message. But the top of the sheet could be cut off, leaving a caricature of a $1 note which Spinner implied might be passed to an unsuspecting victim.

The simulation of the $1 note at the top of the sheet, while following the general design, type faces and green color tints and counters of a genuine treasury note had distinct differ-



Envelope which contained Spinner's letter relating to the campaign sheet.

Face of a genuine legal tender note and a parody cut from a sheet of 1868 Democratic campaign ephemera.



ences from it in the portrait and text. The woodcut portrait of Salmon P. Chase faces left rather than right and the head is rather larger and cruder than the original. The text reads, "Act of July 11th 1862. / THE PEOPLE OF THE / UNITED STATES / Promised to pay the / BONDHOLDERS / in Greenbacks! and they / WILL ENFORCE / the Contract"; while the text on a genuine note is "Act of July 11th 1862. / THE / UNITED STATES / Will pay the bearer / ONE DOLLAR / at the Treasury in New York / WASHINGTON / August 1st 1862." The simulation has no red serial number or seal.

To the obligation on the back of a genuine note: "This Note is a LEGAL TENDER for all Debts Public and Private Except Duties on Imports and Interest on the Public Debt; and is Receivable in Payment of all Loans made to the United States" the fantasy adds "Including the 5-20 Bonds."

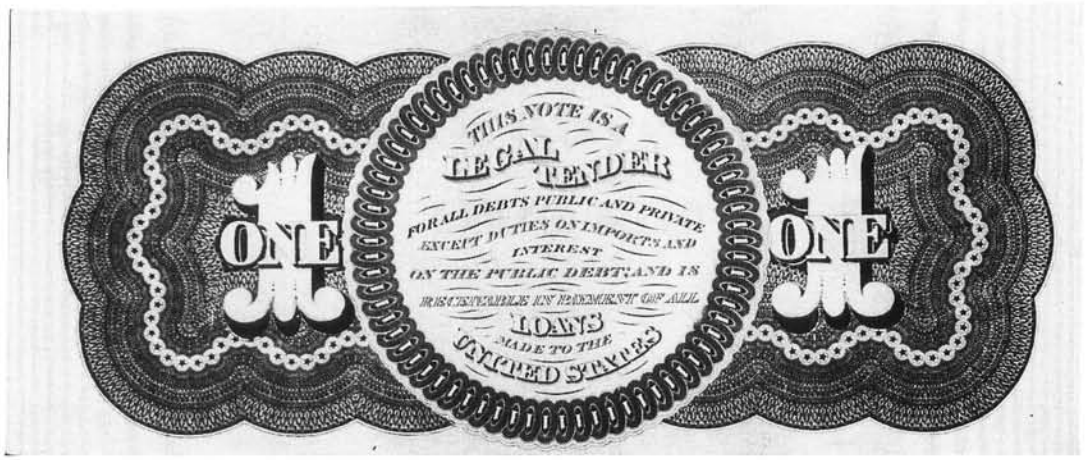
To discourage "a certain kind of the Democracy" from cutting the illustration from the sheet for other than honest purposes, the back page was printed so that about half of the headline "THE CONTRACT." would overlap the bottom edge of the face design and appear on the back of a cut-offnote. However, in *The Essay-Proof Journal*, Whole No. 169, first Quarter, 1986, Dr. Glenn E. Jackson illustrated a sheet in which the cut could be made without the telltale lettering on the back.

The Greenback Decision

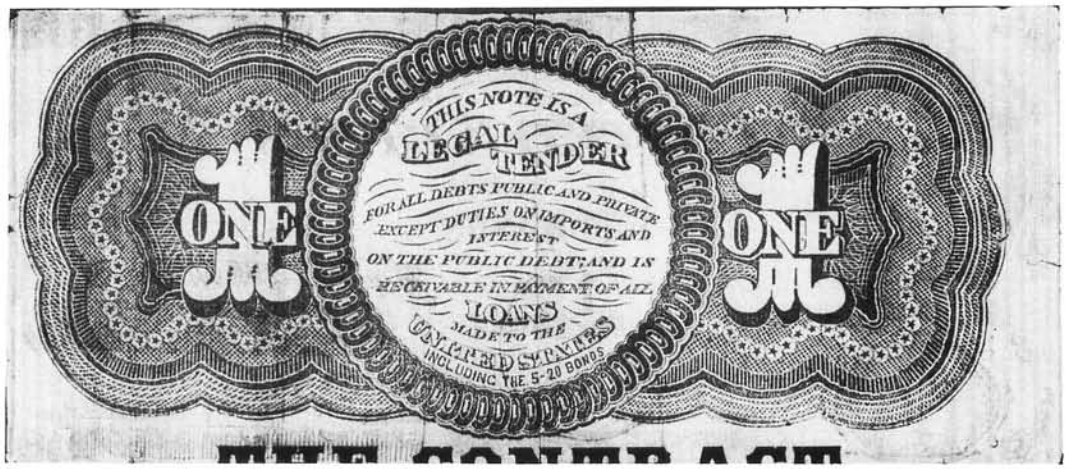
During the war $450,000,000 in greenbacks was authorized and in August 1865 $433,200,000 was part of the debt. Secretary McCulloch urged withdrawal of the greenbacks in preparation for expeditious resumption of specie payment and began their retirement out of surplus funds. On April 12, 1866 he was authorized to fund all notes into bonds or sell bonds to retire the notes and the process began. A volume limit was placed on the retirement of greenbacks: no more than $10,000,000 in the first six months, and $4,000,000 monthly thereafter. Sentiment against retirement of the legal tender notes gathered steam in 1867, by which time their circulation had been reduced to $356,000,000; but there was still a substantial premium for gold. In July 1868 a bill providing for refunding the war debt at lower interest failed to get President Andrew Johnson's signature. In March 1869 a bill to pay the bonds in coin was refused by Johnson and Congress adjourned—so no law.

Small additions to the circulation were made in 1871 and 1872, but criticism caused their withdrawal. An additional $26,000,000, covered by bond sales, was reissued during the emergency of the Panic of 1873, bringing the total back to $382,000,000. The Act of June 20, 1874 stated the amount outstanding should never exceed that total. The Resumption Act of January 14, 1875 called for resumption of specie payment on January 1, 1879, and among other provisions, greenbacks were to be cut back to $300,000,000.

Opposition to the government's fiscal policy crystalized into the Greenback Party under its various names. And in 1878, ten years after the Democratic campaign flyer of 1868, Con-



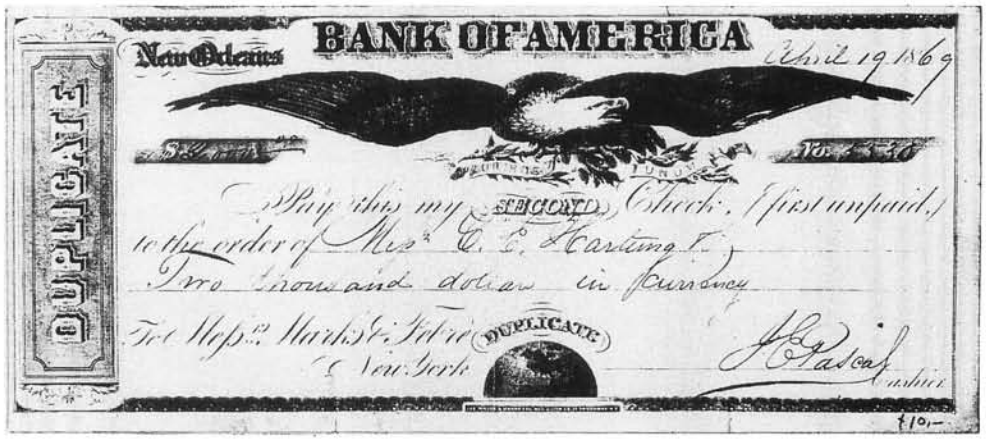
Back of a genuine note compared to the illustration cut from the back of the campaign sheet with the usual part of the top line of text.



gress ordered that retirement of legal tender greenbacks be stopped on May 31 and required the amount outstanding on that date be kept in circulation. The amount was $346,681,016.

The Old Series Currency Adjustment Act of January 30, 1961 authorized the Secretary of the Treasury to write off the books some of the old, large-size legal tenders as destroyed or irretrievably lost. The amount chosen was $24,142,000; that brought the amount required to be kept outstanding down to $322,539,016. Further contraction of circulation was made on September 13, 1982, when the statutory limit of United States notes in circulation was placed at $300,000,000 outstanding and in circulation and the term "United States currency" was substituted for "United States notes" in the United States Code.

On September 23, 1994, Section 602(g)(14) of the Riegle Community Development and Regulatory Improvement Act of 1994 Amended Section 5119(b)(2) of Title 31 of the *United States Code* to read: "The Secretary shall not be *required* to reis-



With a double monetary standard, checks were made payable specifically in gold or currency. This one in currency.

On September 23, 1994, Section 602(g)(14) of the Riegle Community Development and Regulatory Improvement Act of 1994 Amended Section 5119(b)(2) of Title 31 of the *United States Code* to read: "The Secretary shall not be *required* to reissue United States currency notes upon redemption." That short sentence repealed the 1878 requirement that the "legal tender" United States notes, first issued in 1862, be kept in circulation and, therefore, any authority to issue new notes.

sue United States currency notes upon redemption." (Emphasis added.) That short sentence repealed the 1878 requirement that the "legal tender" United States notes, first issued in 1862, be kept in circulation and, therefore, any authority to issue new notes.[1] (But does that "required" word leave the Secretary, or some future administration, the option to reissue $300,000,000 of United States currency in case of emergency or necessity?) The full withdrawal of the legal tender notes first proposed by Secretary McCullough as a condition for resumption of specie payment following the Civil War was finally accomplished.

Legal tender notes[2] were issued in eleven denominations, from $1 to $10,000, and several series from 1862 to 1928. Those were withdrawn from circulation in the normal course of busi ness and replaced with the smaller-size notes introduced in 1928; the new-style notes came in only four denominations and several series. After an initial release, in 1928, of fewer than two million $1 red seal United States notes, only $2s and $5s were issued to maintain the required circulation; the $2s were issued until 1966 and the $5s until 1969. The $100s of Series 1966 and 1966A were intended to maintain the statutory total by reducing the number of notes needed to comply with the law. After a draw-down of $2 and $5 notes, the $100s were released; but none have been issued to the public since 1976, according to a Treasury Department *Historical Fact Sheet.*[3]

Then, in 1986, it was proposed that the $100s be discontinued altogether. After several failed attempts, it was finally accomplished by the Act of September 23, 1994. All currently outstanding United States Notes will remain legal tender but will be withdrawn from circulation when they are received by a bank.

The Democrat-controlled 103rd Congress returned to the position the Democrats held in 1862: opposition to the necessity for United States notes. That return, however, was not as abrupt as their switch from opposition to a strident defense of the legal tender greenbacks during the presidential campaign in 1868, and their protest of the notes' retirement proposed by some Republicans in the 1870s. The departure of the Treasury Department from the issuance of paper money in 1994 went almost unnoticed—it was no longer a major political issue.

NOTES

1. The Act also repealed remnants of several Acts relating to denominations, circulation and redemption of national bank notes as far back as 1874; it also repealed the Act authorizing conversion of national gold banks. A number of revisions to the Federal Reserve Act transfer some duties of the Comptroller of the Currency to the Secretary of the Treasury. Many changes of wording in other federal banking laws are included in other parts of the Act.
2. Since the United States notes and Federal Reserve notes were required to be stocked and accounted for separately and the automated sorting equipment used by the Federal Reserve System cannot distinguish between them, the United States notes are handled as "exceptional" items. For that reason the $100 United States notes have not been released since 1976, and the number of notes officially redeemed is estimated using historical patterns and treasury transfers are made by book-entry from issued to unissued stock.
3. A letter dated July 20, 1873 from American Bank Note Company acknowledges "the decision of the Honorable Assistant Secretary requiring the use hereafter of the term 'United States' notes instead of 'Legal Tender Notes'..." (Official and miscellaneous letters received, 1864–1912, National Archives RG 318).

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A Month and a Half Late and Federal Reserve Records Short

THE PAPER COLUMN
by Peter Huntoon

ON May 31, 1993 I arrived in Washington, DC, for four days of research in the National Archives. This particular trip involved another foray into the Comptroller of the Currency records in the Suitland, Maryland, branch of the archives, as well as visits to the main repository in downtown DC.

On my agenda was the production of national bank note Series of 1902 face plates as well as Series of 1929 overprinting plates containing new bank signatures. There is a crucial ledger in Suitland with a list of plate orders and billings that spans 1925 through 1933. One use for this book is that by working between it and the national currency and bond ledgers in DC it is possible to pinpoint the changeover serials in the Series of 1929 in cases where bank signatures were changed.

While in Suitland, I began asking about other currency records that they might hold. Up until this visit I had concentrated on national bank note records. A clerk was kind enough to search through the Record Group 101 (Treasury Department) index files to help me out. He produced a truly exciting group of summaries that sent my blood pressure soaring.

In the file folder laid before me was a listing that included the following summary:

> Records of the Federal Reserve issue and redemption division, 1914–1944, 175 linear feet.
>
> Daily issue reports, Federal Reserve Notes, 1914–44, and Federal Re serve Currency, 1915–43. Vault balances, Federal Reserve Currency, 1915–23. Destruction schedules documenting issue and redemption of Federal Reserve Notes, 1916–22.

Bingo! If you like small-size Federal Reserve notes, you sooner or later realize that no one has ever published the first serials for any of the 1928 series, or the first serials in the Series of 1934A issues. The lack of those data implied that the critical records were missing. But here they were, and I was just a simple request away from seeing them for the first time since they were put away in 1948!

I was particularly interested in the Series of 1934 and 1934A issues because the seal color changed from yellow green to blue green and some of the great mules lurk among them. Maybe I could finally find something definitive to work with. All we have to go on these days are observations of the varieties on reported notes.

It wasn't lost on me that the Series of 1928 records were of far more interest to most collectors. We would finally have available the first serials in the 1928A, B, C, D and E series. Probably it would be possible to pin down when and at what serials the transition took place between the forest green and yellow green seals.

I only had a couple of days to digest this stuff. That was just not enough time. There were 175 feet of material in this lode! After just a few minutes I found myself planning a return trip in the summer to finish the job! This was a hot find!

The archivist was now showing some enthusiasm, so clearly my excitement was rubbing off on him. He offered to pursue it at once, which was a special favor because usually you have to order these out of storage in advance of your visit. The records are kept in boxes in a warehouse facility, and they require a real effort to dig out. He departed to find a sample of the critical records. With 175 feet of boxes, it would take time to get to the goodies.

He was back in short order, approaching my table. The time had been too short. His face was drawn. I knew there was a hitch.

Like one telling someone they had lost a loved one, he mumbled something like "I have bad news. Those records are gone. Let me look into it a bit." He disappeared.

Soon he returned again. He held a printout which showed that the records we were after had just been destroyed. He did a little more digging and pressed the following documents into my hands.

The top sheet was a memo from Fred J. Romanski, Archivist, Records Relocation Branch, dated June 25, 1992. Subject: Recommendation for Internal Disposal of Selected Series in RG 101. The memo read in part:

> While preparing data collection forms for RG 101, I encountered fifty series totalling 1,865.16 cubic feet that I believe should undergo internal disposal. * * * I am requesting that the records undergo disposal because they do not possess evidential or informational value that is sufficient to warrant continued retention in the National Archives. A review of the records along with the attached documentation shows that * * * the records also contain numerous routine transfer and disposal documentation for destroyed Federal Reserve notes. The series in question do not qualify for GRS review, yet contain series that have been deemed permanent in the past, I request that NNTA-S review the attached list and prepare and forward an SF-115 for authority to dispose of the items.

Accompanying the letter was an inventory of the records. Included were the following tantalizing entries:

4. Daily Reports, Federal Reserve Notes. (Oct. 31, 1914—March 18, 1944)

Unusual Federal Reserve $10 Series of 1934A yellow green seal mule produced in 1938.

The records consist of a daily report that shows the amount of denominations of Federal Reserve notes deposited and shipped by the Bureau of Engraving and Printing and the balance remaining in the vault. The records are not unique and appear to have been used only for internal accounting purposes. The records do not have archival value and should not continue to be retained in the National Archives.

5. Daily Reports, Federal Reserve Currency
(August 16, 1915—June 29, 1943)

The records consist of a daily report that shows the amounts by denominations of Federal Reserve Bank currency received from the Bureau of Engraving and Printing and the amount shipped and the balance remaining in the vault. * * *

(Notice that these records included the issuance data for the Series of 1929 FRBNs during World War II).

6. Vault Balance, Federal Reserve Currency
(August 16, 1915—Dec. 15, 1923)

The records consist of daily reports that show Federal Reserve vault balance currency totals. Balance sheets detail currency on hand, withdrawn and deposited with the Office of the Comptroller of the Currency. * * *

11. Ledger Sheets
(1914—1941)

The ledger sheets show deposit, shipment and issuance of Federal Reserve currency and of unfit Federal Reserve currency returned for destruction and credit to Federal Reserve agents. * * *

Undescribed Entries in (649-13)

Bureau of Engraving and Printing, Bureau of Receipts
(Aug. 1915—Dec. 1921)

The records consist of schedules showing denominations of completed Federal Reserve notes that were delivered to the Office of the Comptroller of the Currency. * * *

The NNTA-S review was conducted, and the records deemed of no value. Form SF-115 authorizing disposal was forwarded as requested. The records were destroyed on April 13, 1993, one and a half months before I learned of them. They had been waiting for me to stumble upon them since 1948, but I just didn't know.

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The Journal of East Asian Numismatics, a quarterly publication with articles in English and Chinese, is in its second year of publication. The first volume remains available to U.S. subscribers for $30. Subscriptions are $30 (U.S.), $35 (Canada), $40 (Europe) from J.E.A.N., P.O. Box 9310, Niskayuna, NY 12309; (518) 382-8888, FAX (518) 382-1451.

A Thomas F. Morris *Workbook*

by RAPHAEL ELLENBOGEN

MOST designers and engravers have several "workbooks" or "scrapbooks" containing various elements of their work. The pages often hold various and specific examples of their craft, such as portraits, vignettes, border designs, script and lettering. Some pages hold completed, finished and printed material. Others hold preliminary sketches, ideas and thoughts for future engravings. At times there are completed expressions of the artist's talent in the arts, with various landscapes and portraits.

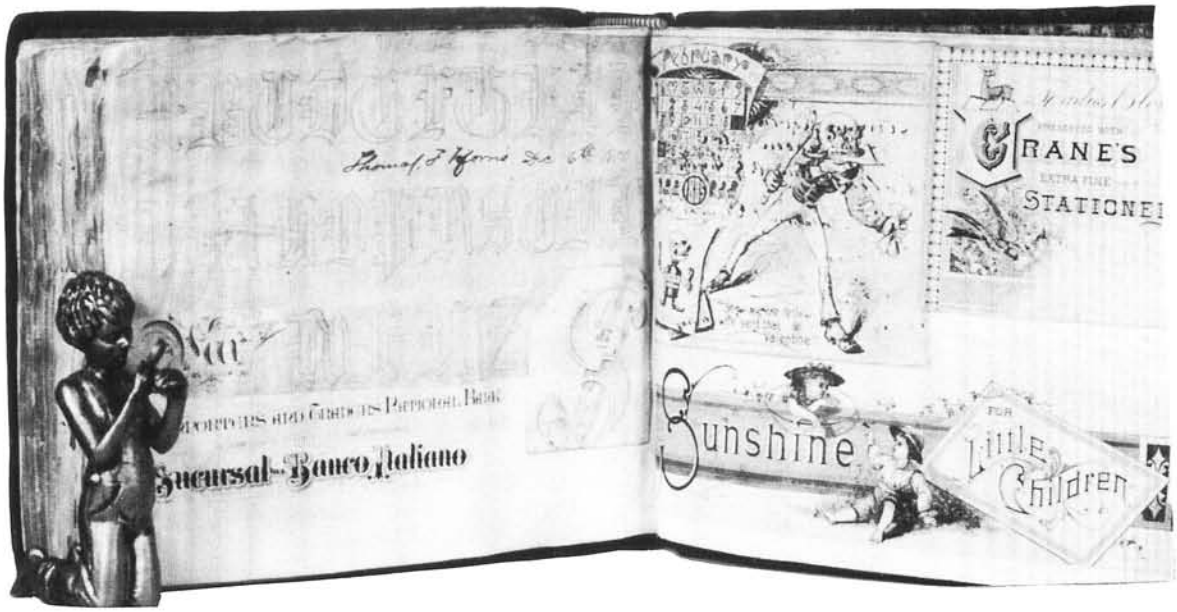
The scrapbook belonging to Thomas F. Morris measures 7" high by 8½" wide, and is 1¾" thick. It is bound in brown morocco leather, with a gold tooled design around the outside perimeters of the front and back covers. The spine has been professionally rebacked by master craftsman Allen Grace in leather, with six hubbed bands covered with gold wavy line tooling. The five panels have a gold fleur-de-lis design. There are 75 pages with three laid-in inserts. The last two pages are blank. The inner covers, first and last pages are lined in the colorful end papers of the period. The contents are packed full with clippings of various designs and completed work, in both intaglio and lithograph printings. There are several hand-drawn pencil sketches of the alphabet, signed and dated by Morris. There are letterheads, passes, commercial advertising, business cards, etc. Also included are a couple of engraved landscape scenes, suitable for framing. In all, there are over 200 individual items. Most are crudely and permanently glued to the pages, which are now brittle and browned.

Thomas Francis Morris was born September 2, 1852 and died on January 18, 1898 at 46 years of age. His father, Charles Morgan Morris (1821 to 1886) was a boilermaker in a foundry, in the coal mining county of Glamorgan, Wales. He married Martha Francis (1821 to 1899) on March 13, 1846 and they soon joined her brother in America.

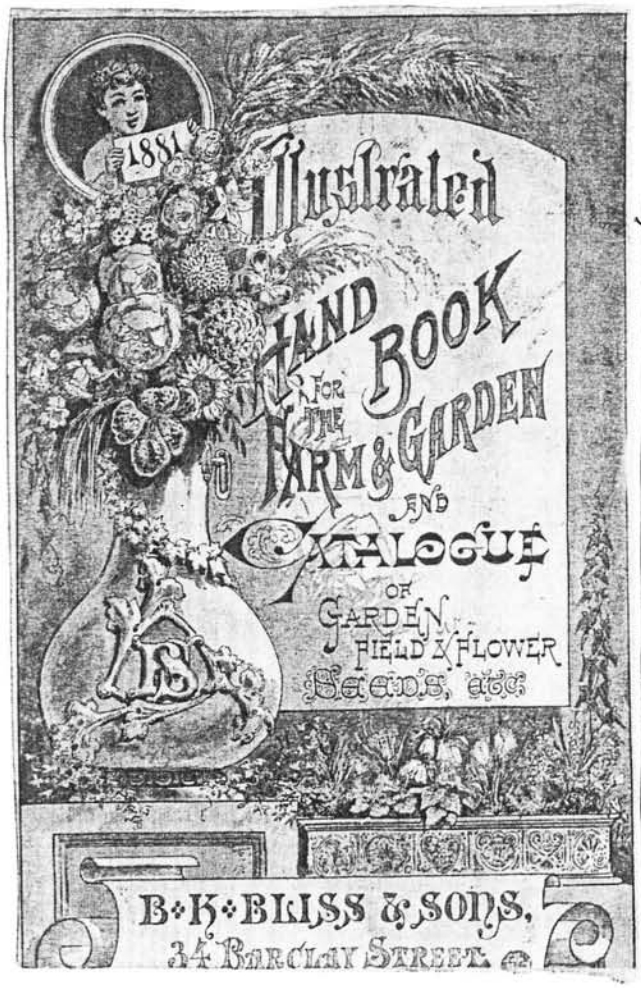
Young Tom embraced the legal profession, a wish of his father, at age 15 following his elementary schooling. He was employed by Attorney J. Warren Lawton as an apprentice, on lower Broadway, New York, in 1867. However, after work he was always studying and practicing drawing. Tom apparently had a talent and skill in this area.

When his father realized that Tom didn't have his heart in the law, he agreed to help in the pursuit of his chosen career. He recognized Tom's latent talent in the arts.

Tom applied as an apprentice to the American Bank Note Company (ABNCo) when they were then located at 142 Broadway, corner of Liberty Street, in lower Manhattan. After many attempts, trials and tribulations, ABNCo accepted him on April 20, 1869 and started him in the Modeling and Designing Department under the kindly and watchful supervision of its chief, James Parsons Major. Morris was almost 17 at that time, but rapidly rose to the head of the department in 10 years. Tom acknowledged that he couldn't have made it without the generous tutelage of benefactors James Major, James D. Smillie and William M. Smillie (the latter two of the illustrious Scottish clan of engravers established in America by James Smillie



A paperweight (a boy with a magnifying glass) was used to hold pages open here and on preceding page.



in 1829). In the book of his father's life, Thomas F. Morris II illustrated examples and specimens of his father's earliest designs.

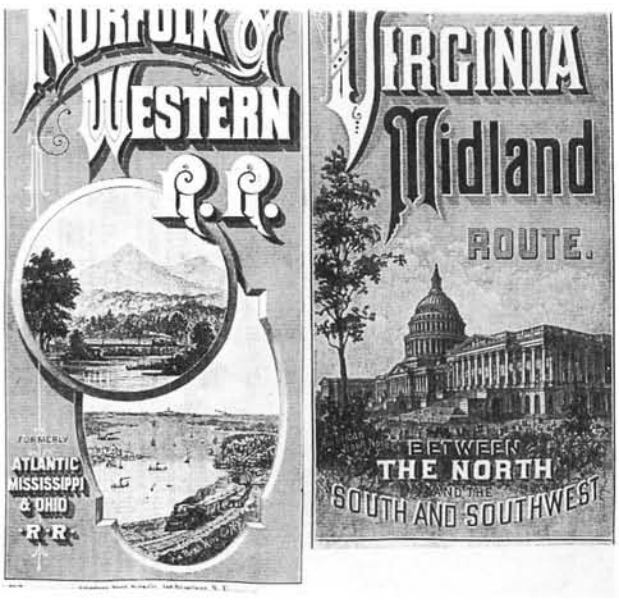
In the fall of 1877, Tom felt secure enough to marry Sally H. Rice of Covington, Kentucky and they established a home in Plainfield, NJ, where engraver-friend George F.C. Smillie

lived. Sadly, Sally died after the birth of her child Adele, within three years of her marriage. Disconsolate, Tom returned to his parents' home in Greenpoint, Brooklyn, NY.

Tom's first accepted designs of postage stamps earned him a large contract for ABNCo and a raise in pay for him. Seven denominations of this issue for Brazil were printed during 1878 and 1879.

The consolidation of American, National and Continental Bank Note companies took place on February 4, 1879. Tom Morris was placed in charge of the Designing Department.

Between 1882 and 1884, he courted Kate Belle Ferry and, possessing a fine Welsh baritone voice, became active in the renowned Manhattan Choral Society. Tom married Kate in April 1884. They moved to a home in Brooklyn. This union produced one daughter and four sons: Belle, Lawton, Thomas, Morgan and Merrill.



Tom's first U.S. stamp design was the five cent Garfield (Scott 205) in 1882. He received another raise and the promise of a two-week vacation.

After 19 years of service, Tom Morris reached a decision to resign from ABNCo, effective December 15, 1887. He joined the Homer Lee Bank Note Company on January 3, 1888, as Superintendent of Design and Engraving.

Having 25 years of experience in the bank note business, he was soon recommended to the prestigious post of chief of the Engraving Division of the Bureau of Engraving and Printing. first, he was appointed as an "engraver" in the department, to make him eligible for the high post of chief. He was sworn in as chief of the Engraving Department on November 1, 1893, at the then huge sum of $4,500 per annum. He moved his family to Washington, DC that year.

The enormous volume of design work executed under the charge of Morris encompassed all facets of engraving. For example, the official report notes that between July 1, 1893 and June 1, 1896, the following work was completed by the Department:

National Currency	18	items
Coats of Arms	6	items
Duplicate plates with new styles of titles for National Currency	8	items
New currency script and titles	308	items
Vignettes	106	items
Replacement plates	7	items
New Silver Certificates, series 1891	2	items
New Silver Certificates, series 1896	31	items
Surface work	7	items
New notes engraved	9	items
Portraits	29	items
Recut dies	13	items

Tom Morris was intimately involved in the most beautiful, and at the same time, controversial, Educational Series of 1896 (the one, two and five dollar silver certificates). On November 15, 1896, a cryptic entry in Morris' diary noted that he had medical treatment for catarrh (on the eye). From that point onward, there was obvious evidence of his declining health. He was only 45, and approaching the prime of his creative ability and engraving skills.

Thomas F. Morris' death on January 18, 1898 ended the pain and suffering from his incurable affliction. For a designer or engraver, the ultimate anguish was the loss of sight. On December 31, 1897, an operation removed his left eye, and the prognosis for survival was nil.

His legacy was enormous, his design skills evident on: the Educational Series silver certificates of 1896, five U.S. bonds, 27 foreign bank notes, three corporate bonds and stock certificates, several postage stamps, both U.S. and foreign, and numerous other miscellaneous engraved items.

His designs were executed during the golden age of engraving. Thomas F. Morris was greatly missed as a husband, father, friend and for the potential of a brilliant career cut short.

Source:

The Life and Works of Thomas F. Morris, 1852–1898 by Thomas F. Morris II and edited by Barbara R. Mueller, 1968.

The

Starts Here

A Primer for Collectors

by GENE HESSLER

SINCE United States small-size paper money has remained unchanged, with few exceptions, since 1928, collectors usually concentrate on collecting patterns that have nothing to do with the omnipresent designs that seem to live on and on. (These designs will be altered beginning in 1996.) One group of notes prepared during World War II bears an overprint that makes them stand out, and a nice example, the $1 denomination, is available for less than $20.

When the Japanese occupied Burma, Malaya, the Netherlands East Indies, the Philippines, and the area called Oceania, one of their first acts was to confiscate all the local currency and issue substitute paper money, which had no real value. Collectively this group of notes are referred to as Japanese invasion money, or JIM notes. Most of these notes are available for very modest amounts. However, here we are concerned about the American paper money in Hawaii that might have come into the hands of the Japanese if an invasion had been successful.

Hawaii did not become one of the United States until 1959. Nevertheless, as a territory of the United States, American greenbacks were the circulating currency. Without an identifying mark, any American currency snatched by an invader could be spent anywhere in the world. So, it was decided to print $1, $5, $10 and $20 notes with brown seals and place a small "HAWAII" overprint on the face and a large overprint on the back. These were released in July 1942 and only these notes were acceptable after August 15.

After the invasion of Pearl Harbor there had been fear that the Japanese might strike again, and if the battle tilted the wrong way, the enemy might occupy the Hawaiian Islands. Any currency overprinted with "HAWAII" that was confiscated by the Japanese would immediately be invalidated and recognized by the world as worthless.

The following notes received this overprint: 1935A $1 silver certificates; 1934 $5 and $20 Federal Reserve notes; and 1934A $5, $10 and $20 Federal Reserve notes. In each instance the Federal Reserve notes were from the San Francisco Federal Reserve district; all had the letter "L" in the Federal Reserve seal. All denominations in acceptable condition except the $1 note are rather expensive. For less than $20 you can own a piece of American paper money that has a World War II story to tell.

There were 35,052,000 $1 notes issued; considerably less for each of the other denominations. The restriction for the exclusive use of these notes in Hawaii was lifted in October 1944. In the years that followed these notes were at times found in circulation in the continental United States. Most of these notes were probably brought back as souvenirs by U.S. military service personnel, who eventually used them as spending money. If one of these notes entered circulation today it would probably be refused by just about everyone but a knowledgeable collector.

In *World War II Military Currency*, the author Fred Schwan makes the following observation: some Japanese soldiers who were captured or killed on some Japanese-held islands at times had these "HAWAII" overprinted notes in their possession.

(Copyright story reprinted by permission from *Coin World*, May 15, 1994.)

THE BASICS

by BOB COCHRAN

WHAT IS A "REMAINDER" NOTE?

A "remainder note" is a genuine note that was never placed in circulation, or "issued." Many banks had visions of a grand future, and placed orders for large quantities of bank notes. In order for these notes to circulate, they had to be filled out and signed by the bank's officers.

For any number of reasons, some banks failed. Large quantities of sheets of unissued "remainders" have survived, and were quite common (and inexpensive) several years ago. Many of these sheets have been cut up and the individual notes are offered for sale as "remainders."

Typically, "remainder" notes are found in uncirculated condition, and are usually less expensive than one in similar condition that was completed with serial numbers, date and signatures.

Dinner essert and J. S. G. BOGGS

by WAYNE K. HOMREN

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*This is one of a series of articles documenting the author's meetings with "Money Artist" J.S.G. Boggs. The first, "A Collector's Encounter with J.S.G. Boggs" (**The Numismatist,** May 1994) described the work "Moneta Electronica" and two other "Boggs bills" issued in the fall of 1993. This essay revolves around "Rebelbux," a special-edition print of Boggs' rendition of the famous Indian Princess Confederate five dollar note.*

Honk Three Times

ON a hot and humid Pittsburgh Friday afternoon, I inch my car through South Side rush-hour traffic. I turn onto Carson Street and drive past block after block of Victorian storefronts. At the turn of the century this street bustled with neighborhood millworkers and their families. By the late '70s it was half deserted. Now it's thriving again, filled with shoppers and restaurant-goers from around the city. The streetscape seems to change almost monthly as random buildings are renovated for some new purpose, one trendy shop or bar replacing last year's trendy establishment. Neon signs abound.

Turning on 21st Street, I see that workers have started to remove the rusting railroad tracks that run straight up the middle of the broad street. A vital link in the industrial age, the long dormant rails host only weeds and trash. Following the line to its terminus four blocks away, I come to the hulking remains of two old buildings. The first one includes an enormous clock, visible for miles around. It once advertised the product made within: Duquesne Beer. Now the face is painted a solid grey color and the twenty-foot hands hang limp at a permanent 6:30. Recalling an old joke, I note that the broken clock is still right twice a day.

The second building is older. Carved in stone above the doorways are the words "Brew House." In its day I'll bet the smell of fermenting beer would have been sufficient to announce the building's purpose. I pull my car between the buildings and park. On the dirty brick wall in front of me is a peeling plywood door. A faded sign faintly announces "Freight Elevator." A padlock secures the opening against the curious.

To the right of the freight door is a flight of concrete steps leading to a dark doorway. A hand-lettered sign reads "This door must be kept closed at all times!" The paper is bright. Too new to have been tacked to the door for long, it's the first sign of life in an otherwise bleak landscape.

The digital clock on my dashboard reads 6:00 p.m.; I'm right on time. As instructed, I honk the horn three times. I soon hear a voice saying something I just can't quite understand. I get out of the car and look up, finally spotting a head poking out of a fourth-floor window far above the street. It's Boggs. "I can't hear you," I yell.

"I'LL—BE—RIGHT—DOWN!!" he shouts, and this time it registers. I make a circle with my right thumb and forefinger and shout back "O-K!". I mentally add "doorbell" to my list of modern conveniences worth having.

Brew House Battle

Before long Boggs appears in the doorway and we exchange greetings. He's been very busy packing. Fellow artist Caroline Sykora moved to New Jersey just this week, where she'll be a graduate student in Art at Rutgers University. Boggs himself is packing a lot of stuff for shipment to his Florida studio.

As we get in the car I mention that I hadn't seen the buildings in daylight before. I hadn't actually realized there were two separate buildings. "Yeah, they're connected by a walkway." I look up to see a dirty aluminum-sheathed walkway hovering precariously over the street at about 3rd-floor level.

Boggs should know—he's been all through the buildings. He and a group of artist-tenants have been working for years to improve the site and set up an artist's colony. Now owned by the City, it has been run by various managers, none of whom has been terribly tolerant of the artists or appreciative of their efforts to fix up a building they don't even own. The group has removed tons of trash from in and around the building, and made many sections very livable despite the remaining overall sense of squalor.

Caroline was particularly disappointed. After spending a great deal of time and energy fixing up a studio, the powers that-be assigned it to someone else. Now Boggs is being threatened with eviction himself. He doesn't want to move and his lawyers are fighting it, but, just in case, he's getting ready to travel light. A truck arrives Wednesday to haul the first batch of stuff to Florida. It's a sad time for him.

From Stale Popcorn to Triple Chocolate

But tonight we'll have some fun. We're meeting a couple of friends for dinner at a place called Gullify's in Squirrel Hill. Squirrel Hill is another vibrant neighborhood near Carnegie Mellon University (CMU), the University of Pittsburgh, and Schenley Park, the largest of the city's parks. The mix of shops, apartments, houses, and mansions is home to many professionals and students connected to the nearby universities and hospitals. Dotted with synagogues, the predominantly Jewish area is a melting-pot of classes and cultures.

The restaurant represents one renovation effort that worked. In my high school days, the building housed the Guild Theater, home of Marx Brothers festivals and killer double features (imagine "On the Waterfront" and "From Here to Eternity" back-to-back). Moviegoers worried that the ceiling might cave in one day, but came anyway for the cheap entertainment.

Nowadays the primary entertainment is people-watching. They come for dinner or snacks, but rarely leave without or-

dering dessert. A Gullify's specialty, rich pies and cakes tantalize waiting diners as they revolve in a refrigerated display case.

The Party Forms

Boggs and I take seats next to the dessert showcase to await our dinner companions, Pete Costulis and Cathy Rivi. Pete has met Boggs before—he's a mechanical engineer by trade, but a composer of music at heart. We've been best friends since high school. Cathy Rivi is a technical writer and mutual friend. She's the first to arrive and I introduce her to Boggs.

I'd told Cathy about my previous encounters with Boggs and she was glad to finally meet him. We chatted for a while and got onto the subject of his next projects. Bringing his art to cyberspace, Boggs will make some special versions of his notes available via the Internet. Boggs will change the notes regularly—Wednesday's version may be different from Friday's version.

Realizing we'd be more comfortable at a table, the three of us were soon seated. Before long Pete joined us, wearing his "Walking Encyclopedia of Movies" T-shirt. Boggs quizzed him with a question—"Who starred in 'A Fine Madness'?" "Paul Newman and Joanne Woodward". "Nope." After a few wrong guesses he corrected his original response—it was Sean Connery and Joanne Woodward. It was one of Boggs' favorite films, about a woman-chasing poet struggling to complete his master-work.

The Muzik Biz

Pete has a complete electronic music studio at home, and in recent years he's composed a number of original instrumental works. He's been searching for an agent to represent him with music publishing companies. Boggs asked him about the type of music, but with its roots in classical, jazz, and rock styles, it's hard to define. Some might call it "New Age" but that label doesn't do it justice. The artist whose work is closest to Pete's is a woman named Susan Ciani. If he had to pick a recording company which best fits his work, it would be Windham Hill. "But they've gotten so big now that they don't listen to unsolicited demo tapes. That's why I'm searching for a agent to represent me."

Boggs was sympathetic, but said the best route to exposure is airplay. And to get airplay you need two things: a demo CD and personal contact with a DJ who plays similar music. Pete had already investigated making a CD but hadn't taken the plunge yet.

Boggs had once been a promoter for rock bands. He told us how he'd managed to introduce one band to an executive of Rocket Records, Elton John's recording company. "I knew that the guy just loved *The Police*. So I took one of my band's CD's and labeled the case something like 'CONFIDENTIAL: Advanced Studio Copy—new *Police* album.' I heard he went nuts when he saw it and listened to it immediately." Despite the sleight-of-hand, the band got a recording gig. Boggs got out of the promotion business after getting fed up with the unreliability of rock musicians, who rarely showed up as planned, not even for events crucial to their careers.

The Terrible Two

Boggs has a mischievous streak. He recalled one lecture to a group of young CMU art students. Early in the lecture he noted that one collector was trying to complete a set of his early "number" paintings. He wanted a "2" to complete the series and offered to pay Boggs $10,000 for one. Having moved on to other subjects, he wasn't interested, but said "if I ever go back to that kind of thing, I'll let you know."

During the lecture Boggs proceeded to draw a stylized numeral two on the chalkboard. Before finishing, he noted that art supply stores carry a product that will "fix" chalk to a surface when sprayed from a foot or so away. He concluded the lecture and left without erasing the board.

Rebelbux

After dinner we eyed the dessert menu. Pete ordered the Triple Chocolate Cake, and shared a bite with Cathy. Saying the chocolate looked "dangerous," Boggs opted for sharing some of my Carrot Cake.

After clearing the plates, it was time to complete a new Boggs work. He opened the manila envelope he'd brought with him to the restaurant. In it was a small group of special intaglio art prints of the Confederate *Indian Princess* note Boggs created for release at the 1994 Memphis paper money show. The regular issue was a set of 100 prints on 8½ × 11 sheets of paper. These special edition prints are a separate series of just 20, pressed deeply into small sheets of extra thick rag paper. Boggs

REBELBUX (original size 7½ × 3½ inches).

individually tinted the notes in various patterns. Several deemed not "good enough" were held back to be used someday as part of larger collage works. The remaining ones were for sale at $425.

I had picked out my favorite before we left the Brew House earlier in the evening—Number 14. The note had a pinkish cast, which contrasted well with the white paper border. The seal was in red, and the vignettes were dabbled in green.

"Should I sign your name, or would you like to do it?" Boggs asked. I said I'd sign, and he handed me a pen. I placed the note gingerly on the back of the thick menu. Trying too hard to be neat, I signed my name in the "for Register" place. Boggs then added "Pgh, PA." beneath my name, and fashioned a serial number out of the date and print number. August 12, 1994 became "1289414." He then wrote his name out in full in the "for Treasurer" place: James Stephen George Boggs.

Now we had to pick a name. Other owners had chosen names like "Ghost Money", "Faded Glory", and "Old Friends". Hmmm. Boggs listened as the rest of us tossed around some ideas. Since I call my moonlight book business "Rebellion Numismatics" I suggested "Rebel something" as another option. "Rebel Bucks" came up and we all agreed. Boggs wrote "Rebelbux" on a placemat and the name was born. He rewrote it on the bottom border of the paper. Turning the note over he completed the work by adding "@ Gullify's, Pgh PA." on the back.

Parking Lot Deals

Boggs stepped out front for an after-dinner smoke, then met me in the back parking lot to complete our dealings. I owed him for "Rebelbux" and a few other things. I had some books to trade in the trunk of my car: a copy of Frankenstein's *After the Hunt*, and two copies of Griffith's *Story of American Bank Note Company*. After totalling everything up, I owed Boggs $76 and started writing him a check. "How come you always end up owing Boggs money?" Pete asked mischievously.

"I'm not sure why I buy all these books" Boggs told Cathy. "I can't read them." Afflicted with three forms of dyslexia, Boggs can read just a few sentences at a time. "I like the pictures," he grinned, turning inside-out the standby excuse of Playboy magazine readers.

Giving Cathy a parting kiss on the cheek, Boggs bid her and Pete adieu. "Gee, I never got a kiss," I complained, backing away just in case Boggs tried to remedy the situation. We climbed back into my car for the return trip to the South Side.

Deja Vu

Before dropping him off, I had to ask Boggs about a book I'd come across earlier in the week. Using the University of Pittsburgh online catalog, I located a book by Dennis Haseley called *The Counterfeiter*. Published in 1987, it was targeted for teenage boys. The plot synopsis stopped me cold: "James, a sixteen-year-old artist, tries to create a perfect five hundred dollar bill." I located the book on a shelf in another library across campus. The standard disclaimer stated "Any resemblance to actual persons or events is purely coincidental...." I read the first three chapters before the library closed for the evening.

Boggs had never heard of the book. But had the author ever heard of Boggs? A research question for another time. After pulling-up to the Brew House doorstep, we said our goodbyes and Boggs hurried into the building. Lots of work remains to be done. ■

GRANT (Continued from page 225)

Backs and a total of 5,000 $5-5-5-5 and 4,000 $10-10-10-20 Plain Back sheets were received by the Currency Bureau. The August shipments were to be the last received by the bank, however, and the remaining 1,810 and 1,000 Plain Back sheets, respectively, were cancelled when the bank entered liquidation. In addition, the remaining 640 $50-50-50-100 sheets were cancelled as well.

Epilogue

The notion of two different types of financial institutions, jointly owned and housed in the same facility to circumvent a government rule or regulation seems very odd, but actually is currently occurring in the Savings and Loan, or Thrift, industry. The deposit insurance premiums paid by Banks (to the Bank Insurance Fund or BIF) and Thrifts (to the Savings Association Insurance Fund, or SAIF) were equalized several years ago when funds were consolidated under the FDIC. Early in 1995 BIF was projected to meet its minimum reserve requirements of 1.25% of insured deposits by the end of 1995. A practical result of this accomplishment is that the BIF insurance premiums are expected to drop from .23% to .04% of deposits insured. In part due to the large failures in the Thrift industry, SAIF was projected to not be able to meet its minimum ratios for some time to come, and thus could not similarly reduce its premiums. In an industry where a 1% return on assets is a rule of thumb, this promises to result in substantial competitive and financial disadvantages for the Thrift industry. Since it is very difficult and expensive for an institution to move insurance coverage from SAIF to BIF, a number of larger Thrifts have responded by filing applications to organize BIF-insured national banks, located on the same premises as the Thrift. They threaten to encourage customers to move their deposits from the Thrift to the Bank, and thus benefit from the much reduced insurance premium. In a very real sense, they are just responding to a challenge in much the same innovative way that Festus Wade and his colleagues did nearly 90 years ago.

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F.P. Graves And The Doe Run Lead Company

by BOB SCHMIDT

Doe Run Lead Co. scrip was issued in $1, $2, and $5 amounts. The punch cancellation reads "PAID 12508"; the serial number 7558 implies a large emission

READERS familiar with the mining scrip of the Doe Run Lead Co. in Doe Run, Missouri may have wondered about the company's history and the signer of the scrip, F.P. Graves.

F.P. Graves as he looked in the 1880s from ***Goodspeed's History of Southeast Missouri 1888.***

Fayette Parsons Graves was born January 17, 1849 in Rochester, New York. He lived for a time in Michigan and Massachusetts before moving to Missouri in 1868. Only four years earlier the St. Joseph Lead Co. was organized to mine the rich lead deposits in and near Bonne Terre, Missouri. Later this area would be known as the "Lead Belt."

Graves' name first appears in the St. Joseph Lead Co. stockholder's report for 1870 as cashier of the company and later as its treasurer. In 1886 he helped organize the Doe Run Lead Co. in the town of the same name. Doe Run is located in East Central Missouri about five miles southwest of the county seat of Farmington, Missouri, in St. Francois County. He later became the company's director and a major stockholder. Mr. Graves was also secretary of the Mississippi River and Bonne Terre Railway in 1890; it was owned by the St. Joseph Lead Co. At the same time he was on the board of the Farmer's and Miner's Bank of Bonne Terre, Missouri and was Postmaster at Doe Run, Missouri.

However, it is his association with the Doe Run Lead Co. that makes Graves well-known to collectors. Numerous checks bearing his distinct signature can be found. The popular Doe Run scrip is frequently available at auctions and major shows.

In 1913 the St. Joseph Lead Co. attempted a merger with the Doe Run Lead Co.; this effectively ended Mr. Graves' connection with the local mining interests.

He died nearly two years later on August 14, 1915 and is buried in the I.O.O.F. Cemetery in Doe Run, Missouri.

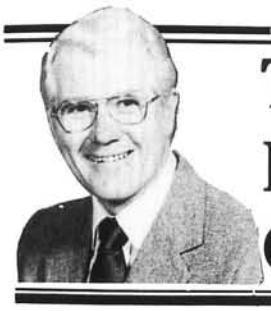
SOURCES

Encyclopedia of the History of Missouri Vol. III, 1901 by Southern History Co. of New York, Louisville, St. Louis.

Crane, C.H. *Mining Memories*, St. Joe Minerals Corp., St. Louis, Missouri.

Goodspeed's History of Southeast Missouri, 1888.

Annual Reports of the St. Joseph Lead Co. Vol. I., 1866–1891.



The President's Column

Dean Oakes

The ANA Convention this year was held in Anaheim, California. With more paper money related shows taking place every year, less paper money action is seen at the national convention, and this year was no exception. The auction by Heritage of the large Nevada national bank note collection was the high point of the convention for paper money collectors. The prize note of that collection was the unique Brown Back 1882 note from Winnemucca, which brought $55,000. This note has a great history, being discovered in Iowa in 1968 or so. In thinking about this note I realize that I might be the only person to have been present at three different sales of it. First, when it changed hands here in Iowa; second, at the sale of RARCOA when it sold at public auction at the 1970 ANA in St. Louis; third at the latest auction just mentioned. It is exciting just being a bystander when a note like this sells. The balance of the notes left little room for dealers either. The Red Seals were very strong with a lot of pressure from people trying for Red Seal national sets. A record price was reached with a Number 1 McGill Nevada 1929 national in CU when it sold at $15,000.

Years ago before the Memphis IPMS, the SPMC always had its annual meeting at the ANA convention. Now we have a listing in the program for a meeting and this year it was held at 8 a.m. Twenty-six members signed-in at that early hour, including SPMC governors Steve Taylor and Wendell Wolka. A free membership was given away as a door prize. A life member asked about winning the door prize and it was decided that that person would be entitled to life plus one year. Some grading of large-size notes was done by those in attendance and there was discussion of the various grades and about the changing grades in the past thirty years. The grades are the same but the meaning has changed.

Two of our older members who are always turning up at shows in California were there and they asked me to say "Hello" to their friends. They are Charles Culver and Jack Everson. Charlie mentioned that there were a few Southern California national bank notes that he was still looking for.

I hope that many of you are planning to be at the show in St. Louis at the end of October or Chicago in February. I am always ready to listen to ideas that you can pass along for the good of the SPMC. Hope to see you there. *Dean*

Call for Nominations for 1996

If you would like to be a candidate for the SPMC Board of Governors, or if governors whose terms expire in 1996 wish to run again, please contact Wendell Wolka, P.O. Box 569, Dublin, OH 43017. In addition, candidates may be placed on the ballot in the following manner:

(1) A written nominating petition is submitted, which has been signed by ten current members;
(2) An acceptance letter from the person being nominated is submitted with the petition;
(3) Any nominating petitions (and accompanying letters) MUST BE RECEIVED BY THE SECRETARY BY JANUARY 15, 1996.

Biographies of the nominees and ballots for the election will be included in the March/April 1996 issue of *PAPER MONEY*. The ballots will be counted at Memphis and announced at the SPMC general meeting held during the International Paper Money Show.

First-time nominees should send a portrait and a brief biography to the editor, Gene Hessler. Unless new information is sent, the editor will use the same portraits and biographies of those who seek another term as governor as were used in the past.

Society of Paper Money Collectors, Inc.
Statement of Cash Activity
For the Six Months and Year Ended June 30, 1995

Prepared by Tim Kyzivat, Treasurer

	Six Months Ended June 30, 1995	Year Ended June 30, 1995
CASH RECEIVED:		
Dues—1994		390.00
Dues—1995	27,959.00	28,104.00
Dues—Life Members	2,700.00	5,450.00
Dues—New Members	3,415.00	5,665.00
Advertising	7,759.07	12,626.37
Contribution from PCDA		500.00
Memphis Breakfast/Auction	818.00	1,563.00
SPMC Index	95.00	135.00
Sale of Magazines	159.90	167.40
Interest on Checking Account	402.20	759.43
Interest on CD's	1,140.06	2,287.69
Total Cash Received	44,448.23	57,647.89
CASH DISBURSEMENTS:		
Printing	13,809.15	29,898.85
Editorial Fees and Preparation Costs	6,330.93	14,555.63
Board Members Assistance	1,605.00	2,490.00
Secretary's Expenses	1,115.90	2,982.16
New Membership Expenses	416.83	715.70
Awards		319.50
Convention Expenses	760.49	1,768.64
Dues		47.50
Advertising	68.93	68.93
Bank Fees	112.50	112.50
Membership Directory Expenses		2,632.00
Total Cash Disbursements	24,219.73	55,591.41
Net Cash Received for the Period	20,228.50	2,056.48
Cash Balance at July 1, 1994		61,902.23
Cash Balance at June 30, 1995		63,958.71

Statement of Fund Balances
June 30, 1995
General Fund

General Fund—Investments:

Type	Matures	Current Value	
Bank CD	9/19/95	5,000.00	
Bank CD	11/7/95	20,000.00	
U.S. Bonds	11/95	16,200.00	
		41,200.00	41,200.00
Cash on Hand at June 30, 1995			63,958.71
General Fund Investments			41,200.00
Total Funds			105,158.71
Less Committed Fund Balances:			
Wismer/Publication Fund			(30,148.21)
Life Membership Fund			(10,331.36)
Total General Funds Available			64,679.14

Committed Fund Balances

Wismer/Publication Fund:	
Balance at July 1, 1994	29,429.21
Contributions Received	719.00
Balance at June 30, 1995	30,148.21
Life Membership Fund:	
Balance at July 1, 1994	38,793.67
Cash Received	5,450.00
Interest Received	2,287.69
Transfer of 1995 Dues to General Fund	(3,500.00)
Balance at June 30, 1995	43,031.36
Balance Consists of:	
Certificate of Deposit #201789 @ 7%	32,700.00
Net Accumulated Interest and Cash	10,331.36
	43,031.36

ANA Award Winners

The following awards were presented at the 1995 American Numismatic Association convention in Anaheim, CA.

U.S. Paper Money: 1st, **Kevin Maloy,** "United States Military Payment Certificates"; 2nd, **William Horton, Jr.,** "Two Dollar Note Types"; 3rd, **Arri Jacob,** "The Bank Notes of the first National Bank of Long Beach."

"Obsolete Paper Money in the U.S.": 1st, no award; 2nd, **Charles L. White,** "Indians on Obsolete Bank Notes"; 3rd, **Kay Edgerton Lenker,** "Colonial Currency."

"World Paper Money": 1st, **Joseph Boling**, "Building a National Currency—Japan, 1868–1899"; 2nd, **Hannu Paatela,** "The Ruler Generals of Mexico on Bank Notes, 1519–1853"; 3rd, **Sally Marx,** "10 Sets of Kibbutz Currency." Mr. Boling also received the prestigious Howland Wood Best of Show Award for his exhibit.

"Western Americana," 2nd, **Phil Iverson,** "Numimatic Vignettes of Our Western Heritage." Local Interest, 3rd, **John Parker,** "The Beginnings of the 1st National Bank of Wilmington, CA." The Peoples Choice Award, **Hannu Paatela** (see preceding). The Thomas H. Law Award for first-Time Exhibitor, **Kevin Maloy** (see preceding).

For the third consecutive year, the first place ANA Award for an outstanding speciality numismatic publication went to ***PAPER MONEY.*** All the contributing authors are to be congratulated as they share in this recognition.

Paper Money-Related Awards by the Numismatic Literary Guild

The following awards were presented by the NLG at the ANA convention. *World War II Remembered* by **C. Fred Schwan** and **Joe Boling** was recognized as the best specialized world paper money book and also the book of the year. The best specialized U.S. paper money book was the *Standard Guide to Small-Size U.S. Paper Money* by **Dean Oakes** and **John Schwartz.** For "The BEPs Lost Press" in *Coins Magazine,* **Ed Rochette** received the award for the best article in a U.S. commercial numismatic magazine. For the best article in a world commercial numismatic magazine, **Dr. Kerry Rodgers** was selected for "New Zealand Canteen Coupons" in the *Australian Coin Review.* The "City of Monuments" by **Jack Fisher** in the *Bank Note Reporter,* was recognized as the best article in a numismatic newspaper.

New Literature

Civil War Encased Stamps. Fred L. Reed, III. 551 pp., hardcover, illustrated. BNR Press, 132 E. Second St., Port Clinton, OH 43452-1115. Voice or FAX 800-793-0683. $59.95 plus $3 postage.

This marvelous book, which delineates the issuers and their times, as the title page states, comprises a "... History, Merchant Chronicle Catalog, Auction Summary and Counterfeit Guide to John Gault's Patent Mineral and Metal Store Card Emergency Money of 1862." It is innovating and comprehensive; the author accomplished what he wanted to do.

Fred Reed, a Civil War specialist and scholar, has embraced a subject that has been of interest to a select fraternity and brought it to life for non-collectors with 860 illustrations in a 551-page book that is easy to read.

In *Civil War Encased Stamps,* Mr. Reed relates, in detail, the circumstances that surrounded circulating coins and currency, with a fascinating emphasis on encased postage stamps that substituted for copper and silver coins, which were hoarded for their intrinsic value during the nation's most serious crisis. Encased stamps have stories to tell, and Fred Reed is the storyteller. For the first time, in many instances, we learn about the people who issued encased stamps, and their places of business.

Who is John Gault and what did he do? If you take the time to read Mr. Reed's extraordinary narrative, you will not onlyfind out, but you will be glad you did. John I. Brown, who sold bronchial troches, James C. Ayer, who advertised sarsaparilla, and Dougan the Hatter become more than just names from the past on the reverses of encased stamps. And what on earth is "Aërated Bread"? For those who have seen this statement on encased stamps and are interested, Mr. Reed

not only describes the process, he shows the patent that was held by Stephen F. Ambler.

Ellis McAlpin and John Shillito are names of department stores in Cincinnati that issued encased stamps. As a native of that city, I was familiar with these names but knew little about them. Now I know that Ellis McAlpin & Co. "purchased 8,000–9,000 encased stamps from Gault, principally of the 10-cent variety (Reed EM10) which accounted for about half of the emission," at a cost of about $850. At the end of this chapter, as he does in each, the author includes an auction census summary of all denominations.

All the images were "scanned in Adobe Photoshop 3.0 software on a Pixel Craft Pro Imager 7650 scanner." Some of the photographs are a little dark; however, at least in some instances, the originals could have been of poor quality as 19th century photographs often are.

At times catalog numbers can be a nuisance. In listing all encased postage stamps Mr. Reed has devised a method to dispense with numbers; collectors will undoubtedly welcome and adopt his simple system.

T. Homer Brooks 1902–1995

SPMC charter member Homer Brooks died on Monday June 5, 1995 exactly one month short of his 93rd birthday. He had recently been in declining health, but drove his car to the office until he was almost 90.

Homer not only collected U.S. paper money, he also displayed the notes quite elegantly. Each note displayed always had some historical and interesting information to accompany it. He had attended every IPMS though 1992.

For many years his office was in the corner of a coin store. This is where I met him and it was with his guidance that I switched from coins to paper money. I am grateful to him for this conversion; he also got me to join the SPMC.

Homer was always willing to answer questions and had many stories to tell about notes and collecting. He had been a collector since the 1920s and a member of the Dallas Coin Club from the 1930s. Homer was a friend of William Philpott and always had a Philpott story to tell or an ex-Philpott note to show. He loved collecting and the friendships made in the hobby. I saw him three days before he died and his last words to me were, "See me before you go to Memphis." How I wish I could have visited with him one more time.

Frank Clark—SPMC 5900

money mart

Paper Money will accept classified advertising from members only on a basis of 15¢ per word, with a minimum charge of $3.75. The primary purpose of the ads is to assist members in exchanging, buying, selling, or locating specialized material and disposing of duplicates. Copy must be non-commercial in nature. Copy must be legibly printed or typed, accompanied by prepayment made payable to the Society of Paper Money Collectors, and reach the Editor, Gene Hessler, P.O. Box 8147, St. Louis, MO 63156 by the first of the month preceding the month of issue (i.e. Dec. 1 for Jan./Feb. issue). Word count: Name and address will count as five words. All other words and abbreviations, figure combinations and initials count as separate. No check copies. 10% discount for four or more insertions of the same copy. Sample ad and word count.

WANTED: CONFEDERATE FACSIMILES by Upham for cash or trade for FRN block letters, $1 SC, U.S. obsolete. John W. Member, 000 Last St., New York, N.Y. 10015.
(22 words: $2: SC: U.S.: FRN counted as one word each)

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NATIONAL BANK NOTES

Dear Ken:

Thanks for your letter and thanks for your advice to enjoy myself while I can. I think I'll take your advice and play 18 holes of golf on Thursday! It will be the first time this year and we've already had several nice sunny days.

Personally, the major revision I would like to see in ANY "Rarity Scale" for Nationals is a separate way to denote the notes which have not yet been recorded! The H-O scale of '6' for banks with O, 1, or 2 notes known always frustrates me. I will stand up and be counted with my respectful opinion that I'd like to see a new classification for banks with NO NOTES KNOWN.

(The above letter with BOB's strong stand for a separate way to denote 0 notes, resulted in my coming up with the ★ category. Thank You BOB.)

All the Best
BOB COCHRAN, Florissant, MO

Dear Ken:

I saw your new Rarity Scale in your ad. I feel the same as you about separating UNCUT sheets out of the rarity scale. Each UNCUT sheet SKEWS the rarity very much in the H-O scale. Also fine tuning the New Scale with a ★ for O notes and a 10 down to 1 scale for known notes will define the rarity of a note much better.

Best
FRANK CLARK, Carrollton, TX

Dear Ken:

Your paid advertisement in PAPER MONEY is the first that I have seen or ever heard of regarding your suggestion for a New Rarity Scale. Your idea is a GOOD one.

I have always thought it was not reasonable to include notes from UNCUT sheets in the total of known notes. Have you communicated with DEAN OAKES concerning your Revised New Scale?

Sincerely Yours
DAVID RAY ARNOLD, Jr., Seal Beach, CA

Dear Ken:

Thanks for the wallet size copy of your New Rarity Scale that you have proposed. I agree with it for two reasons. 1: There should be a SEPARATE rating for banks that have O surviving known notes. It is very misleading to put UNKNOWN banks in the same category as those with 1 or 2 notes KNOWN. 2: The UNCUT sheets should be noted SEPARATELY from the total number of KNOWN SINGLE notes.

Sincerely Yours,
RON YEAGER, Bartlett, TN

Dear Sir:

Your New Rarity Scale will work if it catches on. Will try it on my end.

DON GILLETI, Jr., Haddam, CT

Dear Sir:

I have read with interest your proposal to standardize/consolidate various rarity scales in use when cataloging National Bank Notes. I find your proposal a definite departure from the other rarity guidelines I've used in the past. Although I will probably not adopt your scale to the exclusion of all others (at least not immediately), I will parallel your rarity classifications with the others for a length of time and observe its acceptance or rejection by other numismatists. I want to encourage you to pursue your effort to standardize classifications for rarity. Do not be discouraged by the initial resistance and criticism.

Sincerely,
LARRY D. McNABB, Washington, DC

Dear Ken:

Regarding your New Scale for National Bank Notes, I commend you for your efforts as well as the product of your efforts, the New Scale itself. A point I truly admire is a star (★) RARITY CATEGORY. I have often wondered how many "Not Known To Exist Notes" are actually included in the old scale for R-6's, especially for my collecting interests in Alabama. GREAT, GREAT JOB.

Regards
J.R .LOWE, Jr., Saraland, AL

WHY NOT? LETTERS

Dear Ken:

Enclosed is SASE for your Free NBN Rarity Scale. I agree with your suggestions to assist National Bank Note collectors. Keep up the good work.

Thanks,
DONALD P. THANNEN, Springfield, IL

Dear Ken:

I agree with you. Time we changed to a MORE REALISTIC GUIDE.

Best Regards,
STANLEY WEINER, Flushing, NY

Dear Ken:

Congratulations on your attempt to help clear up the obvious ambiguity regarding Nationals rarity and value. Any contribution that adds information and stability re Nationals is much appreciated. Please forward the plasticized rarity scale so I can employ it at once.

Thanks,
DAN STEWART, Natrona Hgts., PA

Dear Ken:

I am 90 yrs. of age. Started at age 10 when my Grandfather left me some old notes. I placed them in an old book and added to them as I grew up. It was a start to a lifetime of collecting Paper Money. Rarity Scale SHOULD be correct. SO WHY NOT?

As a young man, I worked as a carpenter and had several meetings with B. MAX MEHL. He said to me, quote "If you have a hammer on your desk, it does nothing for you. It is up to you to make it WORK for YOU." Ken, you have the "SCALE". Make it WORK for YOU and the COLLECTORS.

The passing of JOHN HICKMAN and all his work is a great loss to collectors. He was very pleasant and helpful in our telephone conferences. There is a hidden pleasure in the stories behind how you acquired the notes in your collection. JOHN gave me the impression that money could not buy that hidden pleasure. The acquisitions have intangible worth only you can comprehend. Like an Indian woman who lived in COMPTCHE, CA (pop. 175) very much in the Redwoods. She had a $5.00 D.O. MILLS Gold Bank Note. She would NOT SELL the note to me, but she would GIVE me the note if I would take her to a grocery store 50 miles. So I made the trip with her. The note and the trip are a pleasure to remember.

I was surprised to see my name in one of your ads. Would you believe, that within a few days afterward, five dealers called me! My very best to you and your New Rarity Scale.

ALBERT von der WERTH, Jr.
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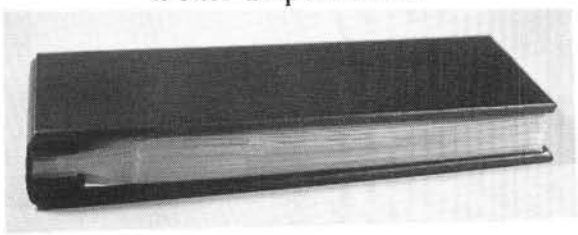

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B. Paid and/or Requested Circulation 1. Sales through dealers and carriers, street vendors and counter sales	-0-	-0-
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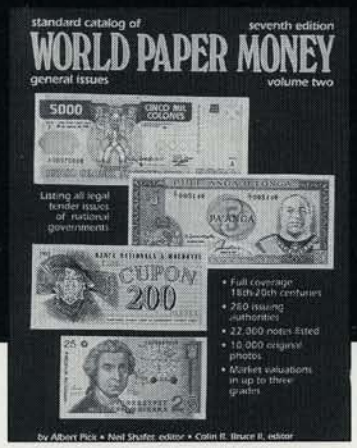

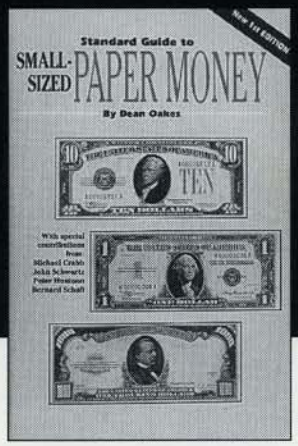

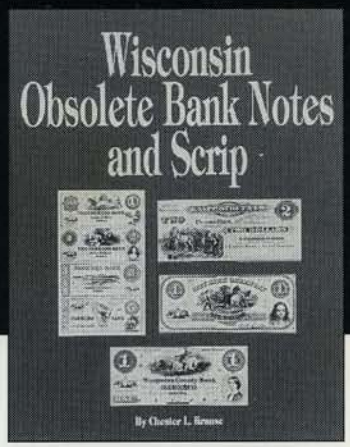

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